



Sean Rogan
Executive Director

**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

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Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

**AGENDA
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY HOUSING COMMISSION
WEDNESDAY, NOVEMBER 18, 2009
12:00 NOON
HOUSING AUTHORITY
12131 TELEGRAPH ROAD
SANTA FE SPRINGS, CA 90670
(562) 347-4663**

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1. Call to Order

2. Roll Call

Severyn Aszkenazy, Chair
Lynn Caffrey Gabriel, Vice Chair
Adriana Martinez
Henry Porter, Jr.
Alberta Parrish

3. Reading and Approval of the Minutes of the Previous Meetings

Regular Meeting of October 28, 2009

4. Report of the Executive Director

5. Public Comments

The public may speak on matters that are within the jurisdiction of the Housing Commission. Each person is limited to three minutes.

Regular Agenda

6. Adopt Resolution Authorizing Issuance of Multifamily Housing Mortgage Revenue Bonds for 105th Street & Normandie Senior Housing Development in Unincorporated West Athens/Westmont (District 2)

Recommend that the Board of Commissioners adopt and instruct the Chairman to sign a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority, in an aggregate amount not exceeding \$8,000,000, to help Normandie Senior



Housing Partners L.P. to finance the site acquisition and construction of 105th & Normandie Senior Housing, a proposed 62-unit multifamily rental housing project to be located at 10402, 10408, 10410 and 10426 South Normandie Avenue, 1344 West 104th Street and 1335 West 105th Street in unincorporated West Athens/Westmont; authorize the Executive Director to execute all related documents and take all necessary actions for the issuance, sale, and delivery of the bonds. (APPROVE)

7. **Accept Capital Fund Recovery Competition Funds and Approve Architectural Services Contract for Electrical Meter Conversion Project at the Nueva Maravilla Housing Development in Unincorporated East Los Angeles (District 1)**

Recommend that the Board of Commissioners authorize the Executive Director to accept \$5,924,000 in Capital Fund Recovery Competition (CFRC) funds awarded by the U.S. Department of Housing and Urban Development (HUD); award and authorize the Executive Director to execute and if necessary terminate a Contract in the amount of \$287,600 with Carde Ten Architects to provide architectural services and prepare construction documents for the Electrical Meter Conversion project at the Nueva Maravilla housing development, using \$287,600 in CFRC funds allocated by HUD for this purpose; authorize the Executive Director to execute amendments to the Contract, to extend the time of performance for an additional year if needed, without increasing the total amount of compensation; and to approve Contract change orders not exceeding \$28,760 for unforeseen project costs using the same source of funds; and to incorporate \$316,360 in CFRC funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above. (APPROVE)

8. **Housing Commissioners Comments and Recommendations for Future Agenda Items**

Housing Commissioners may provide comments or suggestions for future Agenda items.

Copies of the preceding agenda items are on file and are available for public inspection between 8:00 a.m. and 5:00 p.m., Monday through Friday, at the Housing Authority's main office located at 2 Coral Circle in the City of Monterey Park. Access to the agenda and supporting documents is also available on the Housing Authority's website.

Agendas in Braille are available upon request. American Sign Language (ASL) interpreters, or reasonable modifications to Housing Commission meeting policies and/or procedures, to assist members of the disabled community who would like to request a disability-related accommodation in addressing the Commission, are available if requested at least three business days prior to the Board meeting. Later requests will be accommodated to the extent possible. Please contact the Executive Office of the Housing Authority by phone at (323) 838-5051, or by e-mail at marisol.ramirez@lacdc.org, from 8:00 a.m. to 5:00 p.m., Monday through Friday.

THE HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES

MINUTES FOR THE REGULAR MEETING OF THE

LOS ANGELES COUNTY HOUSING COMMISSION

Wednesday, October 28, 2009

The meeting was convened at the Orchard Arms housing development, located at 23520 Wiley Canyon Road, Valencia, California.

Digest of the meeting. The Minutes are being reported seriatim. A taped record is on file at the main office of the Housing Authority.

The meeting was called to order by Chair Severyn Aszkenazy at **12:12** p.m.

| ROLL CALL | <u>Present</u> | <u>Absent</u> |
|----------------------------------|-----------------------|----------------------|
| Severyn Aszkenazy, Chair | X | |
| Lynn Caffrey Gabriel, Vice Chair | X | |
| Adriana Martinez | X | |
| Henry Porter, Jr. | X | |
| Alberta Parrish | X | |

PARTIAL LIST OF STAFF PRESENT:

Sean Rogan, Executive Director
Dorian Jenkins, Assistant Executive Director, Housing Programs
Maria Badrakhn, Director, Housing Management
Emilio Salas, Director, Administrative Services
Margarita Lares, Director, Assisted Housing

GUESTS PRESENT:

Mary Monday, President of Orchard Arms Resident Council
Jacquelyn Obarr, Secretary-Treasurer of Orchard Arms Resident Council

Reading and Approval of the Minutes of the Previous Meeting

On Motion by Commissioner Porter, seconded by Commissioner Gabriel, the Minutes of the Regular Meeting of September 23, 2009, were approved with the following amendment: **Item No. 11, Commissioner Comments, the inverted words "due back" were corrected.**

Agenda Item No. 4 - Report of the Executive Director

Mr. Dorian Jenkins recognized Orchard Arms Resident Council President, Mary Monday and Jacquelyn Obarr, Secretary-Treasurer.

Mr. Jenkins reported that the budget process for the 2010-11 Fiscal Year will begin in November 2009.

Mr. Jenkins reported that the Housing Authority has submitted to HUD the Voucher Management System Report, which will be the basis for 2009-10 funding.

Agenda Item No. 5 – Report on Status of Ujima Village Relocation and Disposition

A written update on Ujima Village was provided. The written updates will continue at future meetings.

Agenda Item No. 6 – Public Comments

No public comments were presented.

Agenda Item No. 7 - Staff Presentations

Ms. Badrakhan reported on the following items:

The Harbor Hills housing development will have aluminum strips installed to deter skate board violators. Additional signage will also be posted.

The Annual Plan process has started and includes: release of public notices in December 2009; presentation to the Housing Commission in February 2010; presentation to the Board of Supervisors in March 2010; and submission to HUD in April 2010. The Annual Plan and related documents will be posted in the Internet.

Ms. Badrakhan recognized the following Orchard Arms staff in attendance: Ludmila George, Property Manager; Dina McGraw, Office Manager; and Richard Bosek and Melvin Betrezchavez, maintenance staff.

HUD REAC inspectors have completed the required housing development inspections. The scores will be available through automation systems.

The Housing Authority has received a \$5.9 million American Recovery and Reinvestment Act grant for energy conservation at the Nueva Maravilla housing development.

Margarita Lares made a brief presentation on the Housing Authority lease-up process.

Regular Agenda

On Motion by Commissioner Gabriel, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

APPROVE A CONSTRUCTION CONTRACT FOR THE PARKING LOT AND
SIDEWALK IMPROVEMENTS AT THE HARBOR HILLS HOUSING
DEVELOPMENT IN THE CITY OF LOMITA (DISTRICT 4)
AGENDA ITEM NO. 8

1. Recommend that the Board of Commissioners find that the approval of a Contract for parking lot and sidewalk improvements at the Harbor Hills housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$467,129 with Torres Construction Corp. to complete the replacement and modernization of one parking lot and adjacent sidewalks at the Harbor Hills housing development, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to fund the Contract with a total of \$467,129 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$93,425 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

On Motion by Commissioner Porter, seconded by Commissioner Gabriel, and unanimously carried, the following was approved by the Housing Commission:

APPROVE A CONSTRUCTION CONTRACT FOR THE REPLACEMENT AND
MODERNIZATION OF TWO PARKING LOTS AND ADJACENT SIDEWALKS
AT THE CARMELITOS FAMILY HOUSING DEVELOPMENT IN THE CITY OF
LONG BEACH (DISTRICT 4)
AGENDA ITEM NO. 9

1. Recommend that the Board of Commissioners find that the approval of a Contract for parking lot and sidewalk improvements at the Carmelitos family housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$411,543 with Torres Construction Corp. to complete the replacement and modernization of two parking

lots, adjacent sidewalks and all associated work at the Carmelitos family housing development, following approval as to form by County Counsel.

3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$411,543 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-2010 budget for this purpose.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$82,308 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

On Motion by Commissioner Martinez, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE A CONSTRUCTION CONTRACT FOR PARKING LOT AND
SIDEWALK IMPROVEMENTS AT THE NUEVA MARAVILLA SENIOR
HOUSING DEVELOPMENT IN UNINCORPORATED EAST LOS ANGELES
(DISTRICT 1)
AGENDA ITEM NO. 10

1. Recommend that the Board of Commissioners find that the approval of a Contract for parking lot and sidewalk improvements at the Nueva Maravilla senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement, and if necessary, terminate a Contract in the amount of \$643,787 to AZ Home Inc. to complete two new parking lots and replace and modernize the existing parking lot, adjacent sidewalks and all associated work at the Nueva Maravilla senior housing development, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to fund the Contract with a total of \$643,787 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose.

4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$128,757 for unforeseen project costs, using the same source of funds and following approval as to form by County Counsel.

On Motion by Commissioner Gabriel, seconded by Commissioner Porter, and unanimously carried, the following was approved by the Housing Commission:

APPROVE A CONSTRUCTION CONTRACT FOR VARIOUS SITE
IMPROVEMENTS AT THE ORCHARD ARMS SENIOR HOUSING
DEVELOPMENT PROJECT IN THE CITY OF SANTA CLARITA (DISTRICT 5)
AGENDA ITEM NO. 11

1. Recommend that the Board of Commissioners find that the approval of a Contract for various site improvements at the Orchard Arms senior housing development is exempt from the provisions of the California Environmental Quality Act (CEQA) because the work includes activities that will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute, administer, implement and if necessary, terminate a Contract in the amount of \$290,972 with Big Star Builders, Inc. to complete various site improvements at the Orchard Arms senior housing development, following approval as to form by County Counsel.
3. Recommend that the Board of Commissioners authorize the Executive Director to use a total of \$180,000 in Community Development Block Grant (CDBG) countywide funds and \$110,972 in American Recovery and Reinvestment Act Capital Fund Program (ARRA CFP) funds allocated by the U.S. Department of Housing and Urban Development (HUD) and included in the Housing Authority's approved Fiscal Year 2009-10 budget for this purpose
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$58,194 for unforeseen project costs, using ARRA CFP funds and following approval as to form by County Counsel.

On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

APPROVE THE REVISED DEBT COLLECTION POLICY OF THE
COMMUNITY DEVELOPMENT COMMISSION AND HOUSING AUTHORITY
(ALL DISTRICTS)
AGENDA ITEM NO. 12

1. Recommend that the Board of Commissioners find that approval of the attached Debt Collection Policy is not subject to the provisions of the California Environmental Quality Act (CEQA) because the action will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners approve and authorize the Executive Director to implement the revised Debt Collection Policy, which also authorizes the Executive Director to initiate litigation for purposes of debt collection, and to reduce or write-off delinquent accounts deemed uncollectible, up to an amount equal to the full amount of the debt, when the individual debt does not exceed \$100,000.

On Motion by Commissioner Porter, seconded by Commissioner Parrish, and unanimously carried, the following was approved by the Housing Commission:

ADOPT A RESOLUTION ACCEPTING THE VOLUNTARY TRANSFER OF
HOUSING CHOICE VOUCHERS FROM THE HOUSING AUTHORITY OF THE
CITY OF LOMITA TO THE HOUSING AUTHORITY OF THE COUNTY OF LOS
ANGELES (ALL DISTRICTS)
AGENDA ITEM NO. 13

1. Recommend that the Board of Commissioners find that the transfer of Section 8 Housing Choice Vouchers is not subject to the provisions of the California Environment Quality Act (CEQA), as described herein, because the activity is not defined as a project under CEQA.
2. Recommend that the Board of Commissioners adopt and instruct the Chair to sign a Resolution indicating agreement to the proposed voluntary transfer of Section 8 Housing Choice Vouchers and corresponding budget authority from Lomita to HACoLA; and authorize the Executive Director to submit the Resolution and all related documents to HUD.

On Motion by Commissioner Gabriel, seconded by Commissioner Martinez, and unanimously carried, the following was approved by the Housing Commission:

APPROVE SETTLEMENT OF TORT LIABILITY CASE MARQUIS BRADLEY
VS. HOUSING AUTHORITY OF THE COUNTY OF LOS ANGELES, ET AL.
(ALL DISTRICTS)
AGENDA ITEM NO. 14

1. Recommend that the Board of Commissioners approve and authorize the Executive Director to execute a settlement agreement in the amount

of \$45,000, to be paid from Housing Authority public housing funds, to Marquis Bradley for Marquis Bradley vs. Housing Authority of the County of Los Angeles, Community Development Commission of the County of Los Angeles, and Jesus Enriquez Cida, following approval as to form by County Counsel.

2. Recommend that the Board of Commissioners find that approval of the settlement is not subject to the provisions of the California Environmental Quality Act (CEQA) because the activity is not defined as a project under CEQA.

Agenda Item No. 15 – Housing Commissioner Comments and Recommendations for Future Agenda Items

Commissioner Parrish suggested that an in-house inspection process be conducted before the REAC inspections are performed. Mr. Jenkins responded that the Housing Authority is developing a checklist which incorporates a pre-inspection.

Commissioner Martinez requested the status of the Tenant Commissioner interviews. Ms. Badrakhan stated that two candidates were recommended from the first round of interviews. In a second round of interviews, four additional candidates were selected and are currently being screened.


Commissioner Gabriel thanked staff for the kind comments regarding her father's passing.

Commissioner Porter commented on the article that referenced Section 3 and asked if the Housing Authority is in compliance. Ms. Badrakhan will follow-up with the Construction Management Division and the Human Resources Unit to ensure that the Housing Authority is in compliance.

Commissioner Aszkenazy thanked staff for arranging the meeting at Orchard Arms. He added that he appreciated visiting the various housing sites.

On Motion by Commissioner Porter the Regular Meeting of October 28, 2009, was adjourned at 2:12 in memory of Chuck Bookhammer.

Respectfully submitted,


SEAN ROGAN
Executive Director
Secretary – Treasurer

NEWS ARTICLES

The office would provide oversight and enforcement of federal laws to ensure nondiscriminatory access to credit for which the CFPA would be responsible, including HMDA and the Equal Credit Opportunity Act; coordinate fair lending enforcement efforts with other federal agencies and state regulators; and work with private industry and fair lending and community advocates on the promotion of fair lending compliance and education.

Controversial Legislation

While Frank's revisions have addressed some objections to the original bill, especially industry criticism of the "plain vanilla" requirement, the legislation is still controversial.

For example, financial services organizations strongly object to provisions allowing states to set their own consumer protection requirements which go beyond any national standards to be established by the new agency. They are calling instead for preemptive federal standards.

In addition, some industry groups remain opposed to the creation of a separate agency, arguing that the enforcement of consumer protection laws should not be separated from safety and soundness regulation.

On the other hand, consumer and community advocates generally support the legislation, though some would like to see it strengthened by, for example, giving the new agency jurisdiction over the CRA. They also oppose federal preemption of state consumer protection regulations.

In testimony at a September 30 Financial Services Committee hearing, Janis Bowdler, deputy director of the wealth-building policy project at the National Council of La Raza, urged the committee to reinstate the requirement for lenders to offer simple, standard loan products, saying its removal leaves a "gaping hole" in protections for households.

In a different approach to this issue, Michael Calhoun, of the Center for Responsible Lending, said the CFPA should be authorized to offer incentives to lenders to provide a range of products to consumers, including safe loans. He suggested reduced regulation for simple loans and higher assessments for riskier products.

SECTION 8

Final Fair Market Rents for Fiscal 2010 Are Published

HUD published final fiscal 2010 Section 8 fair market rents (FMRs) in the September 30 Federal Register, and the new FMRs went into effect on October 1.

The FMRs are used primarily to determine payment standards for the housing choice voucher program, initial renewal rents for some expiring Section 8 project-based housing contracts, and initial rents for the moderate rehabilitation single room occupancy (SRO) program, and to serve as a rent ceiling for the HOME rental assistance program.

The FMRs are based on current Office of Management and Budget (OMB) metropolitan area definitions, with

HUD modifications first used in the determination of fiscal 2006 FMRs.

In addition, the fiscal 2009 FMRs are being updated using 2007 American Community Survey (ACS) data and more recent Consumer Price Index (CPI) rent and utility indexes.

50th Percentile Rents

The FMRs are generally set at the 40th percentile of the local rent distribution, but they can be set at the 50th percentile when the higher rents will promote deconcentration of voucher use.

For fiscal 2010, 17 markets will have 50th percentile FMRs. They include 10 markets which had 50th percentile FMRs in 2009 and aren't scheduled for reevaluation until fiscal 2012, two 50th percentile markets from 2009 whose eligibility was reviewed and extended for three years, and five newly eligible markets.

The 10 markets whose eligibility wasn't up for review are Albuquerque, N.M.; Bradenton-Sarasota-Venice, Fla.; Chicago-Naperville-Joliet, Ill.; Denver-Aurora, Colo.; Hartford-West Hartford-East Hartford, Conn.; Houston-Baytown-Sugar Land, Texas; Kansas City, Mo.-Kan.; Milwaukee-Waukesha-West Allis, Wis.; Richmond, Va.; and Tacoma, Wash.

In addition, the Fort Lauderdale, Fla., and West Palm Beach-Boca Raton, Fla., markets have had their 50th percentile FMR status extended until fiscal 2013.

The five new 50th percentile markets are Baltimore-Towson, Md.; Grand Rapids-Wyoming, Mich.; New Haven-Meriden, Conn.; Philadelphia-Camden-Wilmington, Pa.-N.J.-Del.-Md.; and Washington-Arlington-Alexandria, D.C.-Va.-Md.

The Washington-Arlington-Alexandria area wasn't included in the proposed list of 50th percentile FMRs because it hadn't met the minimum reporting requirement of 85 percent of resident records. However, additional data were provided by the District of Columbia Housing Authority, and the requirement was satisfied. (For background on the proposed FMRs, see *Current Developments*, Vol. 37, No. CD-16, p. 484.)

Two Markets Dropped

Two of the four 50th percentile markets from fiscal 2009 which were up for review were dropped from the list for fiscal 2010.

San Diego-Carlsbad-San Marcos, Calif., no longer qualifies for 50th percentile FMRs because fewer than 25 percent of the tenant-based rental program participants live in the 5 percent of census tracts with the largest number of program participants.

This area will be reviewed annually to see if its voucher concentration changes, and it could requalify as soon as fiscal 2011.

The Dallas, Texas, area has not seen material deconcentration of voucher participants during its three-year period of 50th percentile FMRs, and under current regulations, it will not be eligible for reevaluation until fiscal 2013.

IDEAS AND TRENDS

SECTION 8

San Diego Housing Commission Develops Staff Performance Measures For Productivity, Processing Times

The San Diego Housing Commission (SDHC) has adopted productivity performance measures for the 70 staff members who process tenant files and designed new spreadsheet reports showing the volume of cases processed each month and the timeliness of annual and interim reexaminations, rent increases, and moves.

The SDHC administers 13,780 Section 8 vouchers, which means that it processes roughly 1,148 annual reexaminations each month. The new system has improved productivity and reduced late processing of reexaminations to zero, according to Jeff Davis, SDHC vice president in charge of rental assistance programs.

Davis said that when he came on board nearly two years ago, it was difficult to measure employee performance. "What we were doing at the time was that we had expectations but no way to measure them," said Davis. "It was up to the supervisors to have a general sense of where staff were."

The case managers maintain a caseload in excess of 500 Section 8 participants, and management lacked a way to track how many of each type of reexamination their staff processed each month or how many were processed late.

With the help of SDHC's information technology (IT) staff, program managers put together about a dozen spreadsheets and reports with data describing employee productivity and timely performance.

Performance Requirements

Staff members are expected to have the new Section 8 rent processed 30 days before the first check must be written after a reexamination or rent increase.

The IT and Section 8 staff developed new reports which show how many files were processed by the 30-day deadline. Employees who don't process 95 percent of their cases by the deadline each month are subject to action for subpar performance.

Another set of spreadsheets was created listing case managers with each type of reexamination, including numbers processed and percentages processed late. The staff members are listed in ascending order of productivity and late percentages. A copy of the final spreadsheets is e-mailed to each employee showing his or her rank among all case managers.

The new performance standards and reports became effective in October 2008.

System Rollout

Before the first reports were sent to employees in June

2008, management held informational meetings to introduce the performance measures to the staff and the union representing the employees.

While the union expressed dissatisfaction with the new system, Davis said, some employees called the performance reports a positive development. "Now everyone accepts it as a fact of life," said Davis. The reports also have the effect of holding supervisors accountable, giving them hard numbers when disciplinary action may have to be taken, he said.

Late reexaminations, defined as reexaminations not processed at least 30 days before the due date, dropped from 9 percent in June 2008 to zero in November 2008 and have remained near zero, Davis said.

Davis said that the reports confirmed the small minority of employees whom supervisors suspected as being weak performers. "We found that everybody else could handle the case load just fine," he said. In addition, some workers who complained about a heavy workload found from the reports that they were not doing as much work as others. "We don't have to listen to that excuse anymore," he said.

Davis said there was minimal cost involved in implementing the performance measures and reports since all of the work was done in house. The Rental Assistance Department worked with the IT staff to make sure there were no glitches before the system was introduced to case managers. "We would have lost credibility if we had errors," he said. "We ran it through a dozen tests and authenticated the information. It would be difficult to implement if it wasn't correct."

A quality assurance team has been formed to conduct file audits and increase consistency in processing. The audits are a check to ensure that rent calculations are accurate and the proper documents are completed and in the file.

AFFORDABLE HOUSING

Santa Barbara County Agency Uses Public Housing Sale Proceeds to Purchase Low-Income Housing

When the 40-unit Palm Grove Apartments unexpectedly became available for acquisition, the Housing Authority of the County of Santa Barbara, Calif., (HACSB) found a way to finance the down payment through the HUD-approved sale of a problem public housing property in a distressed neighborhood of Lompoc, where the housing agency has its main office.

HACSB owned Beattie Apartments, an older 15-unit public housing development in a high-crime area of Lompoc. In 2003, the authority completed an extensive remodeling of the project, but the mostly absentee owners of adjacent buildings did not follow HACSB's example.

COMMUNITY AND ECONOMIC DEVELOPMENT

COMMUNITY DEVELOPMENT



GAO Calls for HUD, DOT to Boost Efforts to Promote Affordable Housing In Transit-Oriented Developments

The U.S. Government Accountability Office (GAO) has recommended that HUD and the Department of Transportation (DOT) strengthen their collaborative efforts to promote affordable housing in transit-oriented developments (TODs).

Many housing advocates see the inclusion of affordable housing in mixed-use developments near transit stations as a way to deal with the tradeoff low-income families often have to make between lower housing costs and higher transportation expenses when they live far from their work.

Beginning in 2005, HUD and DOT, including the Federal Transit Administration (FTA), have entered into three collaborative agreements to combine transportation planning and affordable housing.

They are a 2005 HUD-FTA interagency agreement to help communities understand the potential demand for housing in transit-oriented developments by conducting a research study; a 2007 HUD-FTA action plan to coordinate programs to promote affordable housing in TODs; and the Partnership for Sustainable Communities announced by HUD and DOT in March and subsequently joined by the Environmental Protection Agency (EPA). (For background, see *Current Developments*, Vol. 37, No. CD-14, p. 433.)

However, the GAO said that an evaluation of the success of these efforts may be difficult. "A lack of direct research, incomplete data, and factors unique to each transit station limit the conclusions that can be made about how transit-oriented developments affect the availability of affordable housing," the report says.

Impact of Development

The report notes that transit-oriented development and its associated attractions, such as proximity to retail stores, job centers, parks, and schools, can push up land and housing costs around the stations, potentially making it more difficult to provide affordable housing.

On the other hand, such factors as crime, non-transit-oriented land uses, and a poor economy may have a depressing effect on land or housing values.

In addition to those values, the GAO cited other local conditions and decisions which can affect the availability of affordable housing near transit, including the economy and transit station locations.

According to the GAO, there are few targeted federal, state, and local programs to help housing and transit

providers develop affordable housing in transit-oriented developments.

"HUD and FTA programs allow local and state agencies to promote affordable housing near transit," the report says, "but rarely provide direct incentives to target affordable housing in transit-oriented developments."

Targeted Programs

The targeted state and local programs that do exist primarily provide financial incentives to developers for including affordable housing in residential developments in TODs, the report says.

For example, California allocated \$285 million over three years to the transit-oriented development housing program, which uses loans and grants to encourage the development of affordable housing within a quarter mile of transit stations.

In addition, many states use low-income housing tax credits to encourage the development of affordable housing near transit, through requirements or incentive points in their qualified allocation plans (QAPs).

State and local governments generally use incentives and requirements in their land use regulations and building codes, such as density bonuses and inclusionary zoning, to promote affordable housing without regard to location, rather than specifically in TODs, the report adds.

Recommendations

The GAO concluded that strategies developed by HUD and the FTA to coordinate housing and transit policies have the potential to help local communities improve the linkage of their housing and transportation programs, but few are likely to have a short-term impact.

"Many strategies, such as identifying regulatory barriers and financial incentives, still require additional research and analysis, and others have only just been announced," the report says. "In particular, any areas that may require congressional action to revise current statutory requirements may require the agencies to take additional steps."

To strengthen formal collaborative efforts, the GAO recommended that the FTA and the appropriate HUD program offices develop an implementation plan for interagency efforts to promote affordable housing in TODs, develop a plan to ensure that data collected on affordable housing and transit programs are sufficient to measure performance toward goals established in the HUD-FTA action plan and the Partnership for Sustainable Communities, and adopt a formal approach to encourage further collaboration in promoting affordable housing in TODs.

(*"Affordable Housing in Transit-Oriented Development: Key Practices Could Enhance Recent Collaboration Efforts Between DOT-FTA and HUD,"* GAO-09-871, is available from 202-512-6000 or www.gao.gov.)

FINANCE, MANAGEMENT AND DEVELOPMENT

HOUSING LEGISLATION

CBPP Recommends Changes To MTW Replacement Program In Section 8 Voucher Reform Bill

The Center on Budget and Policy Priorities (CBPP) has recommended revisions in the Section 8 voucher reform bill (H.R. 3045) approved by the House Financial Services Committee to modify the Housing Improvement Program (HIP), which would replace the Moving to Work (MTW) program, including restrictions on the use of voucher funds to meet other needs.

The reform bill would authorize 80 PHAs to participate in HIP, including 60 in the regular program and 20 in HIP-lite, which would provide less flexibility in the use of funds and program structure. The MTW program has 33 participating PHAs.

In an updated analysis of the bill as reported out of committee, CBPP said that HIP has the potential to serve as an effective testing ground, but that amendments are necessary to limit the number of low-income families "exposed to untested and potentially harmful policies" and to ensure that small and medium-sized agencies have an opportunity to participate.

Voucher Funds

CBPP also called for firm restrictions on the use of voucher funds for other purposes in HIP. "Such diversions can harm needy families and seldom serve a useful research purpose," CBPP said. It said Congress should either prohibit the diversion of funds entirely or, at a minimum, require a housing agency to suspend diversion if the number of families it assists falls significantly below the number assisted when it entered the demonstration program.

"MTW was intended to test innovations in housing policy, but its success in this regard has been limited," said CBPP. The design did not provide for a careful evaluation of policies, and as a result there are many anecdotal reports but few objective findings, it said. According to CBPP, other targeted demonstrations, such as Moving-to-Opportunity, Jobs Plus, and the welfare-to-work voucher program, have generated far more useful findings with less disruption to tenants.

"MTW also does little to guarantee that agencies will be held accountable for the policies they adopt or fully disclose how they have used their flexibility under the demonstration," CBPP said. It noted that the HUD Office of Inspector General has issued a series of sharply critical reports on MTW.

Funding Flexibility

MTW allows PHAs to use voucher and public housing funds in a flexible fashion, without regard to traditional program boundaries, and CBPP said that funds have been

used for some activities that neither program normally supports. "Generally, HUD also has permitted MTW agencies to accumulate unlimited amounts of unspent funds as reserves, unconstrained by the limitations that apply to other agencies," CBPP added.

Analyzing HUD data, CBPP estimated that from 2005 to 2008, MTW agencies used \$950 million in voucher funds for purposes other than voucher assistance or accumulated the funds as reserves. CBPP said that in 2008 alone, MTW agencies used \$300 million in voucher funds for other purposes. "MTW agencies left at least 25,000 vouchers unused in 2008 that could have been used with funding they had available," CBPP asserted.

"Diverting large amounts of voucher funds to renovate existing public housing units or for other permitted purposes is unlikely to help substantially more needy families in the near term, and certainly not nearly enough additional families to offset the tens of thousands of vouchers left unused," CBPP said. The net result of the use of voucher funds in MTW has been a significant reduction in the number of assisted low-income families, it added.

(The CBPP analysis is available at www.cbpp.org.)

MORTGAGE FINANCE

Kanjorski Circulates Draft of Bill to Revise Rating Agency Regulation

A discussion draft of legislation to revise the regulation of credit rating agencies has been circulated by Rep. Paul Kanjorski (D-Pa.), chairman of the House Financial Services Committee's subcommittee on capital markets.

The bill would require the Securities and Exchange Commission (SEC) to establish an office to coordinate the regulation of nationally recognized statistical rating organizations (NRSROs).

The SEC would have to issue rules to increase the disclosure of initial and subsequent ratings that investors can compare across NRSROs, ensuring that disclosures are clear and informative, cover long-term performance and various asset classes, and are published and easily accessible.

Conflicts of Interest

The SEC would also be required to establish regulations regarding the establishment of performance-based payments for ratings, disclosure of any NRSRO affiliations with any person underwriting investment vehicles that are the subject of a credit rating, conflicts of interest arising from how an NRSRO is paid for ratings, and conflicts of interest from consulting, advisory, or other services.

In addition, each NRSRO would have to establish and enforce written policies and procedures to disclose and manage conflicts of interest.

Beginning 180 days after the date of enactment of the

the grant limits without amending the regulations, the proposed rules would drop the specific dollar amounts.

SECTION 8

Grant Types

The current regulations simply cite basic statutory information on the grants, while the proposed rules would provide a fuller explanation, including the costs that would be covered.

For a PH grant, for example, the proposed rules would clarify that in the case of a dwelling acquired prior to the application for a grant, the VA will pay the greater of the costs of the adaptations, or 50 percent of those costs plus the lesser of 50 percent of the acquisition costs or the full amount of the unpaid balance of the cost of the unit.

If the individual has already acquired a suitably adapted housing unit, the PH grant would cover the lesser of 50 percent of the acquisition cost or the full amount of the unpaid balance of the cost of the unit.

The rules would also implement the statutory amendment allowing individuals to obtain up to three specially adapted housing grants, subject to the aggregate amount of assistance available. Only one of the grants could be a TRA grant.

Approval Process

The regulations would formalize a two-stage grant approval process, with a conditional and final approval.

The VA would conditionally approve an application when it determines that the applicant has met all eligibility requirements and has not exceeded the program's usage and dollar limitations.

Conditional approval would authorize an applicant to move forward with more detailed planning, and the VA could authorize the applicant to incur certain preconstruction costs, including architectural services, land surveys, and attorneys' fees, which would be limited to 20 percent of the grant amount.

The applicant could not be reimbursed for preconstruction costs incurred prior to conditional approval.

To obtain final approval, the applicant would have to show that the plans and specifications comply with minimum property and design requirements, provide evidence of an ownership interest in the unit, and satisfy all other program requirements, including flood insurance, if the property is located in a flood hazard area, and nondiscrimination certifications.

If an eligible individual who has incurred reimbursable preconstruction costs dies before the full grant amount is disbursed, his or her estate could receive the reimbursement.

The request for reimbursement would have to be submitted within one year of the date the Loan Guaranty Service learns of the death, unless the VA determines that equity and good conscience should allow a later submission.

(For further information, contact Katherine Faliski, 202-461-9527.)

HUD Issues Guidelines for Funding FSS Program Coordinator Salaries

HUD has outlined its plans for distributing \$50 million in fiscal 2009 Section 8 administrative fee funds for Family Self-Sufficiency (FSS) program coordinator salaries.

According to Notice PIH 2009-40 (HA), issued September 29, the maximum salary for a coordinator, including the cost of fringe benefits, cannot exceed \$68,000. In addition, salaries must be reasonable, based on local comparables.

PHAs with existing FSS programs with at least 25 participants and other PHAs with approval to administer a program with at least 25 slots are eligible for funding for one full-time coordinator, while PHAs with 15 to 24 families or slots can get funding for up to 50 percent of a full-time coordinator's salary.

Additional Funding

PHAs with existing FSS programs for at least 75 families may receive aid for additional coordinators, if HUD has money remaining after providing assistance to all PHAs eligible for full or partial funding for one coordinator.

If there is insufficient funding for one position for each eligible PHA, renewal PHAs will be funded first and then PHAs with the largest FSS programs.

According to the notice, HUD will no longer provide funding specifically designated for FSS homeownership coordinators. However, any FSS coordinator may work on homeownership activities for participating families.

HUD has generally funded FSS coordinator salaries for a one-year period, but the notice says that to the extent possible, the fiscal 2009 funding will be adjusted so that the term will end on December 31, 2010. Accordingly, funding may be provided for more or fewer than 12 months.

RURAL HOUSING

Guidance Provided on Stable Income For Section 502 Guaranteed Loans

The Rural Housing Service (RHS) has provided guidance to lenders on the types of income that can be considered stable and dependable for purposes of repaying a Section 502 guaranteed single-family loan.

"There is no minimum length of time an applicant must have held a position to consider employment income as dependable," says Administrative Notice (AN) No. 4474 (1980-D), issued on September 17. "Typically, when an applicant has been generating income for two or more years from either part-time or full-time employment, the lender may consider this income to be stable and dependable."

Generally, the notice says, an applicant should not have an employment gap of more than a month within the

two-year period, though the lender may make allowances for seasonal employment, such as agricultural or construction work.

In addition, the notice says allowances may be reasonable when the applicant has recently graduated from school or spent time in the military or has recently reentered the work force after an absence to care for a family member or minor child, an extended illness, or another circumstance considered reasonable by the lender.

The notice also points out that many low- and moderate-income applicants change jobs frequently because of the nature of the available employment. "Applicants should not be penalized for frequent changes in jobs if, despite the changes, income continuity has been maintained," it says.

Other Income

The notice also provides guidance on the evaluation of other types of income, which typically must be received for two or three years.

For example, commission income should be averaged over the previous two years from the same employer, while income from a second or part-time job may be counted if the applicant has worked the position uninterrupted for the past two years and will continue to do so.

Child support or alimony may be counted if the payments are likely to continue for at least the first three years of the mortgage term. Evidence that the payments have been received for the past 12 months must be documented, though a payment history of less than 12 months may be acceptable if the lender can document the payer's ability and willingness to make timely payments.

Since the standard debt-to-income ratios assume that the income is taxable, the tax savings from tax-exempt income, such as Social Security payments, may be added to the applicant's repayment income.

Any mortgage payment subsidy from an employer should be included in the applicant's gross income. The subsidy cannot be used to offset the mortgage payment, even if the employer pays the lender directly.

Housing and Finance Briefs

The one-time \$250 payment under the American Recovery and Reinvestment Act (ARRA) to beneficiaries of Social Security, Supplemental Security Income (SSI), certain railroad retirement programs, and veterans retirement and disability programs will not be included in income in mandatory interim and annual recertifications for public housing, Section 8, and Indian housing block grants.

However, the weekly \$25 increase in unemployment benefits provided by ARRA will be included in income.

HUD provided guidance on the ARRA payments in Notice PIH 2009-37 (HA), issued on September 24.

In Notice PIH 2009-39 (HA), issued on September 25, HUD has reiterated its policy that PHAs may not charge application fees to applicants for Section 8 housing choice vouchers or public housing.

"PHAs may not charge applicants processing costs including, but not limited to, costs for criminal background checks, credit checks, and third-party income verification," the notice says.

The Treasury Department has announced five initial closings of public-private investment funds (PPIFs) under the legacy securities public-private investment program for residential and commercial mortgage-backed securities.

Under the initial closings, Invesco Ltd. (Invesco Legacy Securities Master Fund, L.P.); the TCW Group, Inc. (UST/TCW Senior Mortgage Securities Fund, L.P.); AllianceBernstein, LP and its sub-advisers, Greenfield Partners, LLC and Rialto Capital Management, LLC; BlackRock, Inc.; and Wellington Management Company, LLP each have at least \$500 million in committed equity capital from private investors. *(For background on the legacy securities program, see Current Developments, Vol. 37, No. CD-8, p. 245.)*

Sixty-three percent of home builders reported that the availability of credit for single-family construction loans worsened during the second quarter of 2009, in the latest National Association of Home Builders (NAHB) survey of acquisition, development, and construction financing.

Of the builders reporting deteriorating credit conditions, 80 percent said that lenders are lowering the allowable loan-to-value ratio; 76 percent, lenders aren't making new loans; 75 percent, lenders are reducing the amount they will lend; and 62 percent, lenders are requiring personal guarantees or collateral not related to the project.

HUD is making about \$14.6 million in fiscal 2009 funds available for the Family Unification program. A notice of funding availability (NOFA) was published in the October 6 Federal Register, and details are available on HUD's web site.

HUD has extended the comment period on the elimination of its hold-harmless policy for Section 8 income limits until November 6.

A notice extending the comment period, which was published in the October 7 Federal Register, also corrected an erroneous statistic in the original notice, which was published on September 14. *(For background, see Current Developments, Vol. 37, No. CD-19, p. 581.)*

In minimizing the likely impact of dropping the hold-harmless policy, the September 14 notice said more than 99 percent of HUD-assisted households have incomes below 30 percent of area median income.

In fact, according to the correction, the actual percentage is 75, rather than 99. Moreover, it says a more instructive statistic is the fact that 95 percent of assisted households have incomes below 50 percent of area median.

owner's evidence of the economic injury resulting from the enactment of a statute.

In this case, the court said, the park owners showed that they have suffered such an injury from the "mere enactment" of the RCO.

Penn Central Analysis

Considering the first Penn Central factor, the court noted that the RCO resulted in a substantial "wealth transfer" from the park owners to the tenants since the value of the below-market rents could be capitalized into a higher price when a mobile home is sold.

"The undisputed evidence shows that the mere enactment of the RCO has caused a significant economic loss for the Park Owners," the court concluded. "This factor weighs heavily in the Park Owners' favor."

As for the owners' investment-backed expectations, the court noted that although the RCO was in place when the plaintiffs bought the park, under the Supreme Court ruling in *Palazzolo v. Rhode Island*, 533 U.S. 606 (2001), subsequent property owners aren't barred from challenging a regulation already in place.

However, the court said, the impact of *Palazzolo* on the Penn Central investment-backed expectations test is less clear.

It concluded that the question of investment-backed expectations is not determinative, but must be considered in connection with the other Penn Central factors.

As for the character of the governmental action, the court concluded that this factor also weighs in the owners' favor because the RCO shifts the burden of providing low-cost housing from the general public to mobile home park owners.

Taking all of the Penn Central factors together, the court concluded that the RCO "goes too far" and constitutes a regulatory taking under the Fifth and Fourteenth Amendments.

The court rejected the plaintiffs' due process and equal protection claims.

The court held that the due process claim relating to a just and reasonable rate of return must be addressed in an as-applied, rather than facial, challenge to the RCO.

It also found that the ordinance does not violate the Equal Protection Clause because it is rationally related to the legitimate public interest of promoting affordable housing.

The court reversed the district court's judgment on the takings claim and remanded the case to the district court for further proceedings.

Dissent

In a dissenting opinion, Judge Andrew J. Kleinfeld agreed with the majority that the prudential ripeness requirement of *Williamson County* doesn't preclude a ruling on the merits of the plaintiffs' challenge.

Kleinfeld said he would also agree that the ordinance would amount to a regulatory taking under Penn Central but for the fact that it was the reenactment of an ordinance already in effect when the plaintiffs bought the mobile home park.

SECTION 8

HUD Fair Market Rent Policies Can Be Challenged Under Fair Housing Act, But Not Under U.S. Housing Act

HUD has sovereign immunity under the U.S. Housing Act against a challenge to its determination of Section 8 fair market rents (FMRs), ruled the U.S. District Court for the Northern District of Texas, Dallas Division, but it held that the department was subject to suit under the Fair Housing Act. (*The Inclusive Communities Project, Inc. v. HUD*, No. 3:07-CV-0945-O, 2009 WL 3122610 (N.D. Tex.), September 29, 2009)

The Inclusive Communities Project, Inc. (ICP), a non-profit organization that assists minority families participating in the Section 8 housing choice voucher program, brought an action challenging HUD's method for determining FMRs in the Dallas metropolitan region, where ICP's clients live.

ICP contended that because HUD's FMR area includes eight counties, rather than smaller geographic areas, the FMRs are artificially low since they include minority neighborhoods with low-income housing.

If the market were smaller, ICP said, the FMRs would be higher and give its minority clients the opportunity to live in more affluent, Caucasian areas.

FMR Changes Sought

ICP sought to compel HUD to use smaller rental housing market areas to determine FMRs, require HUD to establish separate Section 8 rent levels for separate rental housing markets, and force HUD to further fair housing opportunities for minority participants in the Section 8 program when it sets rent levels.

ICP objected to the recommendation of the U.S. magistrate judge to grant HUD's motion to dismiss on the ground of sovereign immunity. HUD contended that ICP lacked standing to bring the suit and that HUD has not waived sovereign immunity.

HUD argued that ICP did not have standing because the remedies it sought would not redress its injuries, but amounted to generalized grievances.

ICP alleged that HUD's rent-setting policy directly and adversely affected its interests by increasing the amount of time that it must spend to help each client in non-minority-concentrated market areas, reducing the number of units available to its clients in such areas, increasing the amount of money that ICP must spend to help its clients find housing in such areas, and discouraging ICP's clients from choosing units in areas with racially integrated housing because of the costs.

Court Ruling

Rejecting HUD's argument, the court said other courts have held similar allegations sufficient to establish injury for standing purposes.

The court said it had "little difficulty concluding that an injunction requiring HUD to use small rental housing markets, instead of a large multicounty region, as a ba-

sis for determining FMRs would result in higher rental rates in predominantly Caucasian areas of Dallas, thereby expanding opportunities for low-income African American families to obtain Section 8 housing in those areas." The availability of more housing opportunities would redress the plaintiff's alleged injuries, the court said.

The court also found that plaintiff was not seeking a general injunction, but was asking the court to require HUD to change its process of determining FMRs to give ICP's clients greater access to integrated housing markets. The court held that ICP demonstrated standing to prosecute its claim for injunctive relief.

Sovereign Immunity

HUD also argued that plaintiff's claims under the Administrative Procedure Act (APA) were barred by the doctrine of sovereign immunity because its rent-setting practices are committed to agency discretion by law and ICP has other adequate remedies.

Section 702 of the APA authorizes suits against the United States, but the waiver of sovereign immunity does not apply to agency actions that are committed to agency discretion by law.

HUD argued the U.S. Housing Act was very broad, giving the department discretion to apply its own standards, but ICP claimed the applicable law could be found in the text of the statute, HUD's own regulations, the legislative history, and other agency materials.

After reviewing the statutory language, HUD regulations, and the legislative history, the court concluded that none separately or read together created meaningful standards against which to review HUD's determination of what constitutes a "market area" under the Housing Act.

"Consequently," said the court, "sovereign immunity bars any claims predicated on alleged violations of that statute."

Fair Housing Act

The court reached a different conclusion regarding alleged violations of the Fair Housing Act, 42 U.S.C. Section 3608(e)(5), which imposes an affirmative duty on HUD to administer housing programs to further the policies of the Fair Housing Act.

The court said this claim is similar to claims against HUD that other courts determined were reviewable under the APA.

The court rejected HUD's argument that ICP had other remedies at law. It could not file a suit in the Court of Federal Claims under the Tucker Act, the court said, because it was not seeking monetary damages.

Also, ICP could not bring an action against the Dallas Housing Authority, the court noted, because that agency had no authority to change HUD's rent-setting policies.

The court granted HUD's motion to dismiss for lack of subject matter jurisdiction on the ground of sovereign immunity regarding claims for alleged violations of the U.S. Housing Act, but denied the motion on all other grounds.

CONSTRUCTION

Official Abused Discretion in Failing To Justify Use of State Wage Rates For HOME-Funded Housing Project

The Pennsylvania secretary of labor and industry abused his discretion when he failed to justify his determination that state building construction rates, not federal Davis-Bacon residential rates, applied to a proposed housing project partially funded under the HOME program, ruled the Pennsylvania Commonwealth Court. (*Adams County Interfaith Housing Corporation v. Prevailing Wage Appeals Board*, No. 662 D.C. 2008, 2009 WL 3101406 (Pa. Cmwlth.), September 29, 2009)

Adams County Interfaith Housing Corporation (ACIHC), a private, nonprofit organization that provides affordable housing to low-income persons, requested a pre-determination from the secretary, through the Bureau of Labor Law Compliance, of prevailing wage rates that applied to a renovation of nine or ten units of affordable housing for persons with disabilities. A HOME grant of \$500,000 would finance part of the renovation.

The Bureau notified ACIHC that state rates for the classification of "Building Construction" applied, which would have increased the project's cost by 40 percent. Federal law recognizes four construction classifications (residential, building, heavy, and highway), but Pennsylvania only recognizes three (building, heavy, and highway). Federal law also requires that Davis-Bacon residential rates apply to HOME-assisted construction containing 12 or more units, but is silent regarding projects with fewer units.

The Pennsylvania Prevailing Wage Appeals Board ruled that ACIHC could not file a grievance from the secretary's refusal to promulgate a wage rate classification for residential construction under the Pennsylvania Prevailing Wage Act (Act).

Decision Challenged

On appeal, ACIHC asked the court to determine whether the secretary violated the Act by failing to promulgate residential wage rates; whether the refusal was arbitrary and capricious; whether the refusal violated equal protection, since the secretary applied federal residential rates to other projects based on the same guidelines; whether Davis-Bacon and HOME preempt state law; and whether the Board erred in concluding that ACIHC could not file a grievance.

ACIHC also claimed an equal protection violation. Noting that the Bureau applies Davis-Bacon rates to married-student housing, ACIHC argued that there was no legal basis existed to treat the poor and disabled less favorably than married students.

Citing *Gade v. National Solid Wastes Management Association*, 505 U.S. 88 (1992), ACIHC argued that a state law interfering with federal law must yield to federal law because the state law is an obstacle to achieving congressional goals. ACIHC also claimed that the

Housing Affairs Letter

THE INDEPENDENT WEEKLY WASHINGTON REPORT ON HOUSING

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Story of the Week

Hellish Drywall Problem Impacts Thousands

With 27 states, Washington, DC and Puerto Rico now reporting problems with imported Chinese drywall, the federal government steps in to quell the fury of homeowners beset with uninhabitable houses and health problems. The new head of the Consumer Product Safety Commission (CPSC) jets to Beijing to persuade her counterparts to accept some responsibility for the toxic issue. But a resolution appears unlikely.

CPSC and the Environmental Protection Agency (EPA) are about to conclude a joint study on the health and environmental effects of millions of sheets of drywall imported during the housing boom years between 2004 and 2007 when domestic production couldn't keep pace with demand. About 7 million sheets of Chinese drywall were imported in 2006 alone.

Adding insult to injury, hundreds of new and rehabilitated houses in Hurricane Katrina-devastated New Orleans and vicinity are affected with Chinese drywall, now renamed "contaminated drywall" by the federal government to ease tensions with China over the issue. China so far has refused to acknowledge the problem. But CPSC Chairwoman Inez Tenenbaum says she will press Chinese officials to help pay for the estimated tens of billions of dollars expected in damages.

Homeowners, the bulk of them in new retirement communities in Florida (the hardest hit state), complain the drywall emits a rotten-egg or sulfur odor, corrodes copper wiring and pipes, destroys air conditioning coils, pits mirrors, and causes respiratory problems. Many families have abandoned new homes as a result, even though they must continue mortgage and property tax payments in addition to temporary housing costs.

At least two insurers have pulled back policies regarding the problems, and many more mull retreat. Homebuilders so far have shied away from any culpability.

Lawsuits target builders, installers, insurers and the manufacturers in China; but legal experts say it will be difficult to require Chinese firms to pay any penalties.

HUD officials tell *HAL* the department is waiting for completion of the CPSC/EPA research before a course of action is determined. But sources say a federal financial bailout for homeowners is possible. To date, the CPSC has received 1,501 official complaints, but thousands more are anticipated as homeowners discover where to register them.

Considering the volume of drywall imported during the boom, experts estimate at least 150,000 homes are affected in Florida, 35,000 in Louisiana, and up to 3,000 in Virginia. It is called the tip of the proverbial iceberg, with new cases added daily.

The prevalence of the issue has given rise to a new cottage industry -- detecting Chinese drywall. U S Building Consultants Inc. is staging a national training and certification program on Chinese and defective drywall in America Oct. 25-27 in Orlando. The firm will prep inspectors for certification in three categories -- Certified Defective Drywall Inspector, Certified Defective Drywall Consultant, and Certified Defective Drywall Remediator.

Meanwhile, CPSC is surveying U.S. importers, suppliers, manufacturers and homebuilders to gather information about what they know, when did imported drywall arrive in this country, and what communities it was used in. CPSC has identified some of the Chinese manufacturers but has not made the names public.

Rep. Glenn Nye (D-VA) has submitted a concurrent resolution in the House calling on banks and mortgage servicers to assist homeowners struggling with the toxic drywall, urging them to delay collection of mortgage premiums so families can absorb the cost of temporary housing.

Preliminary estimates of costs to restore houses that escape demolition center on \$100,000 or a third of the value of an average house.

HAL and sister publication *Housing Market Report* will keep you on top of the issue as it evolves.

10/20/2009 4:04 PM

Assisted Housing

(Sec. 8) Voucher Move Seen Soon

House Democrat leaders are mapping plans to take the proposed Sec. 8 Voucher Reform Act (SEVRA) to the floor sometime within the next three weeks, but its chances of moving any farther are dim. The Senate remains silent on the issue, and it only would move HR 3045 in that chamber if Banking Chairman Christopher Dodd (D-CT) decides to adopt the House measure.

Pressure from affordable housing advocates gives the measure impetus. But Democrats are wary of a public display of opposition from Republicans over the eventual cost of adding 150,000 new vouchers a year to a program now bursting at the financial seams, approaching \$30 billion a year. Each 100,000 new voucher segment represents approximately \$1 billion a year.

Advocates continue to push for 200,000 new vouchers annually to meet the burgeoning demand resulting from growing unemployment. Liberal think tank Center for American Progress estimates it will take a minimum of 200,000 vouchers a year to accommodate the demand.

Conservatives are prepared to mount an intensive campaign on the House floor in an attempt to modify the measure with several amendments, including downsizing the appeal for new vouchers. But the measure is expected to pass regardless, unless Blue Dog Democrats join the GOP opposition.

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Courts

(SENIOR HOUSING) Ruling Affects Seniors Seeking Housing

A settlement in a Connecticut case that stopped a landlord from requiring medical records as a condition of tenancy could have broad implications, especially for the elderly seeking housing.

A court decision in *Laflamme v. New Horizons Inc.* results in a \$600,000 settlement from New Horizons Village in Farmington. Former tenant Denise Laflamme sued New Horizons after she was considered "too disabled" by the independent living owner following a brief

hospital stay in 2004. Laflamme's doctor had said that she was able to return to her apartment.

The settlement results from an April U.S. District Court ruling that New Horizons' independent living policy, which requires tenants and applicants to disclose medical records, is a violation of the Fair Housing Act. The Connecticut Fair Housing Center, which backed Laflamme in the lawsuit, claimed that New Horizons used its tenant criteria to screen out individuals it considered too disabled to live independently.

In addition to the ruling that Laflamme suffered discrimination at the hands of New Horizons, the court ordered the landlord to stop inappropriately requesting private medical records, information concerning any past or present diagnoses, any surgical operation reports, any psychological and psychiatric reports, present health status summaries and medical charts, and a present history and physical examination from housing applicants.

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Housing Vouchers

Date: 10-27-2009 4:18 PM - Word Count: 551

Housing Vouchers

Eds: Elisa Vasquez, spokeswoman for the Housing Authority, can be reached at (323) 890-7415.

By ELIZABETH MARCELLINO

City News Service

LOS ANGELES (CNS) - A proposal to limit housing vouchers in high-crime areas was dropped as part of a plan approved today by the Los Angeles County Board of Supervisors.

The county's Housing Authority offered a revised set of changes in its policies and procedures -- made to comply with U.S. Department of Housing and Urban Development requirements.

The revision did not include a proposal floated two weeks ago to deny vouchers for housing in "higher-than-average crime areas."

Supervisor Zev Yaroslavsky and community advocates had said that policy could lead to "redlining" and might amount to a violation of fair housing laws.

The policy was aimed at punishing landlords who do not maintain their buildings, according to Sean Rogan, executive director of the Community Development Commission-Housing Authority.

But Yaroslavsky and others thought the language could cause discrimination against residents of certain areas, rather than just targeting negligent landlords.

An agreement was reached sometime during the last two weeks, and the proposal was abandoned.

"We met with (Housing Authority staffers) in the interim and had some productive meetings, and they allayed many of our concerns," said David Pallack, director of litigation for the nonprofit Neighborhood Legal Services.

Eight other policy revisions were approved as part of the Housing Authority's new HUD-compliant administrative plan:

- applicants and participants will be given 15, rather than 10, days to comply with any actions required by the Housing Authority;
- landlords will not be allowed to appeal assessments of rent reasonableness by the county;
- tenants will not be allowed to move more than once in a 12-month period, unless an exception is made for good cause;
- credit reports will be obtained only when needed, as staffers typically rely on a federal income verification system;
- if participants or their representatives fail to show up for a unit inspection, cannot show good cause for the no-show and have been previously counseled for missing an appointment, the county will propose termination of their assistance;

- rent increase requests will only be processed during an annual reexamination;
- leases will be renewed for a one-year term, rather than rolling into month-to-month agreements; and
- the department has now been allocated vouchers under the Veterans Affairs Supportive Housing program, and policies related to that allocation were added.

The Housing Authority also said it would close the waiting list for new vouchers 30 days after advertising the closure in major newspapers.

More than 160,000 applicants are on the waiting list, and the wait time is seven years for those in the agency's jurisdiction and 31 years for those outside the jurisdiction, according to documentation provided by housing officials.

Yaroslavsky proposed an amendment asking that the publications posting the waiting list closure include the Los Angeles Times, La Opinion, Daily News and Antelope Valley Press, as well as major regional newspapers.

He also asked that policy changes be posted on the Housing Authority's Web site and published in tenant and owner newsletters.

Finally, he requested that more flexibility be given to tenants in rescheduling housing inspections.

The board voted 4-0 -- Supervisor Gloria Molina was absent -- to approve the policy changes as amended by Yaroslavsky.

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DAILY NEWS
October 28, 2009

LOS ANGELES

Bid to limit housing

vouchers dropped: A proposal to limit housing vouchers in high-crime areas was dropped as part of a plan approved Tuesday by the Los Angeles County Board of Supervisors.

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Man arrested in alleged arson

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Detectives: Blaze put several disabled apartment residents in danger

By Jessica Selva

Signal Staff Writer

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**CALIFORNIA
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A Valencia man faces possible attempted murder charges after he allegedly started a fire in an elevator in a county-run housing facility for senior and disabled residents, officials said.

Deputies arrested Jay Peter Mizak, 23, Thursday afternoon after he allegedly sparked a fire Wednesday night at the Orchard Arms apartment complex on Wiley Canyon Road in Valencia, said Los Angeles County sheriff's Sgt. Ray Walker of the arson detail unit.

Mizak is being held without bail because of the danger the fire posed to wheelchair-bound senior and disabled residents on the second floor, Walker said.

"There would be no way for them to escape," Walker said. "There's stairs, but if you're in a wheelchair and you can't get around, and your only means of escape is an elevator, you're kind of stuck."





Walker said the fire was small but still caused damage.

"It was a minor fire because circumstances didn't let it get any bigger, but it caused about \$1,000 in damage to the elevator itself," he said.

Detectives were still investigating the case, and charges still need to be considered by the Los Angeles County District Attorney's Office, he added.

Mizak is scheduled to appear in Santa Clarita Superior Court on Monday.

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Section 8 tenants: We are not criminals

Recipients say AV leaders spreading misperceptions

*This story appeared in the Antelope Valley Press
Tuesday, November 3, 2009.*

By BOB WILSON
Valley Press Staff Writer

LANCASTER - Contending they unjustly are being portrayed as criminals, about two dozen Section 8 recipients rallied Monday outside City Hall in search of fairer representation.

Declaring they will be "invisible no more," those gathered said they intended to address the city's Neighborhood Vitalization Commission, which also was meeting Monday.

Leading the rally was the Rev. V. Jesse Smith, the head of the Antelope Valley Coalition Against Injustice.

Smith criticized Lancaster's elected leaders and Antelope Valley media for spreading the misperception that all who benefit from Section 8 assistance are lawbreakers.

The Section 8 program was created so "people who did not have adequate income could have a place to live," Smith said. "Unfortunately, there are a few people who have abused this process, and the city, as well as the media, have taken those few individuals and made them the face of (all) Section 8 residents."

Pointing to his supporters, Smith said, "These are law-abiding Section 8 tenants. ... These people have assembled at City Hall to say, 'We are not criminals,' that Section 8 residents deserve to stay here, and that if any policies are implemented, Section 8 members ought to be involved in that process."

Protester Ruth Jones, whose daughter is employed but needs Section 8 assistance, said her daughter was being harassed because of that assistance.

The harassment included receiving a copy of a news story where allegations of wrongdoing by Section 8 recipients were underlined by her landlord, Jones said. "This is harassment," he said.

"We had to write to him, to City Hall and to the mayor because it's wrong," she said. "It's wrong how they do Section 8 tenants for no reason."

Some of her daughter's neighbors also called an anonymous tip line for Section 8 abuse "to say things," Jones continued.

"If you don't want to rent to them, why rent to them?" she asked. "She's a law-abiding citizen with three children" who have won awards at their schools.

"Every week, they've got a task force going out" to check on Section 8 tenants, Jones said. "We've got to get together to stop them, because it's wrong."

To balance the scales, Smith said the city's Neighborhood Vitalization Commission, established as the Section 8 Commission by Mayor R. Rex Parris to reign in housing-voucher 8 abuses, should:

Appoint one Section 8 recipient to the seven-member board to provide "insight as to what Section 8 residents are going through and the barriers they are trying to overcome in order to stay on Section 8."

Add one Section 8 landlord to the same board to provide "a fresh perspective on why they rent out to Section 8 tenants and (to) share ... some of the things they experience and the barriers they encounter in dealing with Section 8 tenants and the city."

Conduct quarterly or bi-annual meetings to inform Section 8 tenants of any new policies they must follow.

Conduct two mandatory workshops each year for Section 8 landlords to train them on renting to Section 8 recipients.

Advise all Section 8 recipients of any recommendations made by the commission to the City Council concerning the supervision of Section 8 rentals, preferably by including the information in the Los Angeles Housing Authority newsletter sent to those recipients.

During the city commission's meeting, Parris asked the panel to consider adding a Section 8 tenant as requested by the protesters, City Manager Mark Bozigian said.

That commission "has never portrayed everyone on Section 8 as criminals, nor has staff, nor has the City Council," Bozigian said.

"The whole notion has been to attack fraud in the Section 8 program, and there's clearly a record of fraud in the program," he said.

Lee D'Errico, who works for the city's Department of Public Safety, said no agency or task force is conducting sweeps of Section 8 housing, either regularly or randomly.

Authorities respond to complaints concerning possible violations of law, building codes, parole and probation terms and other issues, D'Errico said.

When complaints prompt a response, a Section 8 investigator may participate if the location involves a Section 8 recipient, he said.

In any case, the response is prompted by alleged activities or conditions at the location, not because the resident receives Section 8, D'Errico said.

"There are no sweeps, per se, just related to Section 8," he said. "The Section 8 would not be the primary cause for the investigation. It would be a secondary issue."

A former Section 8 housing investigator, as well as a former deputy sheriff, D'Errico said, "There has never been a situation where just arbitrarily, without any complaints, ... we went to (housing) units based just on the fact that they were Section 8.

The Antelope Valley is home to about 3,400 Section 8 recipients, and Lancaster houses about 2,100 of them, D'Errico continued.

Of those, "quite a few over the years" have lost benefits because of problems discovered during valid investigations, and those losses have generated news stories, he said.

"I believe there's some hysteria being created here that all Section 8 people are being targeted," D'Errico said. "That's certainly not the case. ... That's never been done. It will never be done."

Councilwoman Sherry Marquez, who helped coordinate the creation of the city's Neighborhood Vitalization Commission, said the board's purpose "has been to expose fraud and to make sure those people who really do need the (Section 8) program can get it.

"We are absolutely after those (recipients) who are going to fraud the system and keep people who really need it from getting it," Marquez said. "We've never said that all Section 8 is bad and all of them are criminals."

bwilson@avpress.com

Fannie Mae to rent out homes instead foreclosing

By ALAN ZIBEL, AP Real Estate Writer
Thursday, November 5, 2009

(11-05) 07:02 PST WASHINGTON, (AP) --

Thousands of borrowers on the verge of foreclosure will soon have the option of renting their homes from Fannie Mae, under a policy announced Thursday.

The government-controlled company, through its new "Deed for Lease" program, will allow borrowers to transfer ownership to Fannie Mae and sign a one-year lease, with month-to-month extensions after that.

The program will "eliminate some of the uncertainty of foreclosure, keeps families and tenants in their homes during a transitional period, and helps to stabilize neighborhoods and communities," Jay Ryan, a Fannie Mae vice president, said in a statement.

But the effort is likely to affect a relatively small number of homeowners. In the first half of the year, Fannie Mae took back about 1,200 properties through this process, known as a deed-in-lieu of foreclosure. That pales in comparison to the 57,000 foreclosed properties the company repossessed in the period.

While neither option is particularly attractive for the homeowner, a deed-in-lieu does less harm to the borrower's credit record.

The rental program is designed to help homeowners who don't qualify for a loan modification under the Obama administration's plan, but still want to remain in their homes. Fannie Mae is not planning to market the homes for sale during the one-year rental period.

Fannie Mae has hired an outside company, which officials declined to identify, to manage the properties.

To qualify, homeowners have to live in the home as their primary residence and prove that they can afford the market rent, which would be determined by the management company. The rent can't be more than 31 percent of their pretax income.

Fannie Mae's sibling company, Freddie Mac, launched a similar effort in March. That policy, however, requires the foreclosure to be complete and only allows month-to-month leases. A Freddie Mac spokesman declined to say how many borrowers have participated.

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Fannie Mae to allow borrowers in foreclosure to lease back homes

The mortgage giant's move is part of an attempt by lenders to keep a wave of foreclosed properties from slamming a housing market that has shown some signs of recovery.

By Alejandro Lazo

November 6, 2009

Mortgage giant Fannie Mae said Thursday that it would throw a lifeline to some people losing their homes to foreclosure by allowing them to lease those properties back for up to a year at market rental rates.

The move is the latest in a series of steps by lenders trying to manage inventories of foreclosed homes on their books in an attempt to keep a wave of properties from slamming a housing market that has shown some signs of recovery.

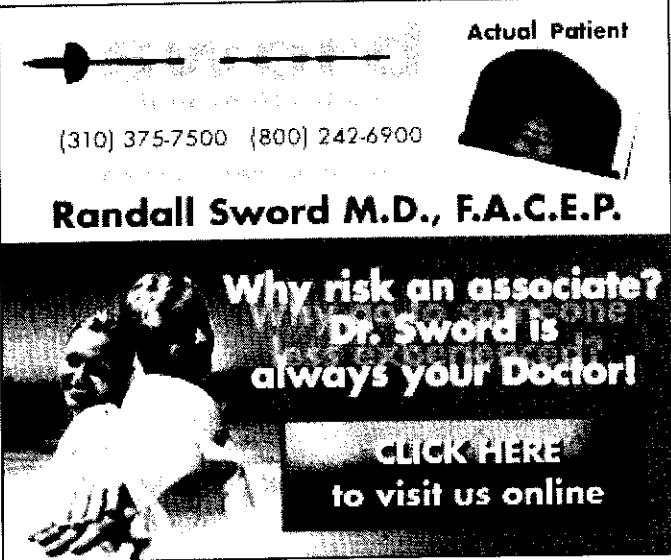
The news came as Fannie Mae reported a net loss of \$18.9 billion in the third quarter ended Sept. 30, compared with a \$14.8-billion loss in the second quarter and a \$29.4-billion loss in the third quarter last year.

The latest loss pushed Fannie Mae's government regulator Thursday to request \$15 billion from the Treasury Department. It was the fourth time the Washington company had drawn on its federal financial lifeline since Fannie and its sister firm, Freddie Mac, were seized and placed under government stewardship.

By reducing the supply of cheap foreclosures on the market, Fannie Mae's Deed for Lease Program would add to other efforts by the federal government to aid the housing market, analysts said.

Jay Ryan, Fannie Mae's vice president of equity investments, said the program would help to stabilize neighborhoods. The firm said Thursday that the program would qualify only those borrowers who had exhausted other options, such as a loan modification.

"If you keep more people in their homes, it's better for the community, and hopefully fewer vacant homes on the market will help stabilize those communities," Ryan said. "If someone still wants to live



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in their home, be it for the kids wanting to stay in the school district or the family wanting to remain embedded in their community, this gives them another opportunity."

The program also would allow Fannie to produce some income from the properties -- many worth less than their mortgages, or "underwater" in industry terms -- as it waits for home prices to recover.

"This is a very wise business decision because these loans are underwater, and they are not going to get all of the money," said Richard Green, director of the USC Lusk Center for Real Estate. "Fannie has an incentive to keep the homes reasonably maintained because they are going to want to sell them one day."

Bruce Marks, a housing activist and critic of the lending industry, said the program was a distraction from efforts to push lenders to modify loans.

"Their mission is to provide homeownership and yet now they want to get into the landlord business. It is outrageous," said Marks, executive director of the housing nonprofit Neighborhood Assistance Corp. of America. "The issue has to be to force these banks to restructure mortgages, not let them off the hook."

Fannie didn't say how many homeowners it expected would qualify for the program. To participate, a borrower must agree to convey all interest in a property to the lender. The company recorded 1,996 people agreeing to such a transaction in the first nine months of the year, according to a filing Thursday with the Securities and Exchange Commission. In California, Fannie held \$475 billion in loans at the end of the third quarter, of which 5% were "seriously" delinquent.

The home must be a borrower's primary place of residence. A borrower-turned-tenant would have to document that the new market rental rate is no more than 31% of his or her gross income and be released from any subordinate liens on the property.

The efforts mirror a program by Freddie Mac of McLean, Va., which offers month-to-month leases to people who have lost their homes to foreclosure. Tenants must agree to allow the home to be shown to potential buyers and allow the company to market it for sale.

Fannie's program isn't for everyone. Some borrowers would be better off pursuing loan modifications or other solutions.

Scott Hempel, 38, said he was underwater on a home he owns in Riverside but he has kept up his mortgage payments. Hempel, a production manager for Dow Jones & Co. in Dallas, said he was forced to relocate to his new job in October 2007. He tried to sell his Riverside home but the plunge in home values made it impossible. Hempel said he would like to conduct a short sale -- selling the home for less than the value of the mortgage -- but was told by Bank of America that Fannie guidelines required him to be in default.

"I could walk away and do what everybody else is doing, but I am trying to get out of the house without doing that," Hempel said.

To make matters worse, he said, he will lose his \$90,000-a-year job as the plant he works at winds down its operations.

A Bank of America spokeswoman confirmed that Hempel was denied a short sale based on Fannie Mae's guidelines.

Complaints that lenders won't negotiate with borrowers unless they go delinquent on their mortgages have been common during the unfolding housing bust and economic meltdown. The loan modification plan sponsored by the Obama administration this year was designed to encourage lenders to reach out to borrowers heading for trouble before they actually defaulted.

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Times staff writer E. Scott Reckard contributed to this report.

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Section 8 tenants' protest misses the point

*This story appeared in the Antelope Valley Press
Friday, November 6, 2009.*

EDITORIAL - V. Jesse Smith got one thing right. He said not all Section 8 recipients are criminals. The problem is, nobody ever said they were.

Smith, a union organizer who lives in Palmdale and ran for Palmdale City Council, conducted a protest on behalf of Section 8 tenants on Monday at, of all places, Lancaster City Hall. He claims that local officials - Los Angeles County, city of Lancaster, city of Palmdale - and the local media unfairly target all Section 8 recipients as criminals.

They don't and we don't.

Section 8 - a federal program administered locally by the county - is supposed to give poor or disabled people a helping hand by subsidizing their rent. The government provides eligible recipients with vouchers that pay the portion of their rent they are unable to afford. For example, if the rent is \$1,500, the voucher might be for \$1,000. The government pays the landlord \$1,000,; the tenant pays the landlord \$500.

The key word, however, is "eligible." The problems arise when people cheat the system. And they do. The authorities set up a hot line and people can call when they suspect Section 8 abuse. There are simple rules to follow - no drugs, no unauthorized residents, no parolees, no unreported income.

It angers local officials and law-abiding citizens when a person receiving Section 8 benefits has a full-time job they don't report, or a sex offender living in the house or a marijuana growing operation. All of these things have happened, and the authorities have taken the necessary steps to stop it and we've reported it.

And we've encouraged the efforts to root out the cheaters.

It's obvious the county and city officials care more about the poor than the protesters do, because they are getting rid of the cheaters and opening up spots on the waiting list for those who are truly in need.

If the protesters want to defend the frauds, they will not find much support.

But it's like anything else, a few bad apples can spoil the barrel. We believe Smith's anger would be better directed at the cheaters, for it is they who are giving law-abiding recipients a bad name.

AVC secretary in custody in Section 8 case

*This story appeared in the Antelope Valley Press
Friday, November 6, 2009.*

By DAISY RATZLAFF
Valley Press Staff Writer

LANCASTER - A Section 8 rental aid recipient was arrested Thursday morning on charges of perjury and grand theft after she allegedly failed to disclose her criminal background and report the full amount of her income, authorities said.

LeShrawnda Harris, 39, who works as the secretary to the Dean of Visual and Performing Arts at Antelope Valley College, was handcuffed and taken into custody about 9:30 a.m. at the college by Zone deputies of the Palmdale Sheriff's Station.

Harris' husband Charles Harris, 43, was arrested on the same charges, deputies said.

"(They) have taken over \$19,000 in taxpayers' money in this economic shortfall," said Sgt. Kyle Bistline of the Partners Against Crime Team.

The investigation was part of an ongoing effort by Palmdale Partners Against Crime deputies and Los Angeles County Housing Authority investigators to identify people who committed fraud to obtain aid through the federal Section 8 rental subsidy program or who are breaking Section 8 rules by taking in unauthorized tenants, selling drugs or other violations.

The Harrises, who have been on Section 8 since 2003, have a record of criminal activity, sheriff's officials said.

Charles Harris, who was arrested in 2007 on suspicion of possession of drugs for sale, also has a recent arrest in August, when he drove with a suspended license, sheriff's records show.

Deputies did not disclose details about LeShrawnda Harris' criminal background.

Section 8 is a federally funded housing assistance program that allows renters to pay 30% of their income toward housing, with a government voucher covering

the rest. The program is administered by the Housing Authority of Los Angeles County.

Under the program, recipients cannot have any violent criminal or drug-related activity, which includes the manufacturing, dispensation, distribution, sale or use of possession of illegal drugs within the last three years.

Charles Harris is being held on \$25,000 bail and LeShrawnda Harris on \$20,000 bail at the Palmdale Sheriff's Station.

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latimes.com

Opinion

A \$1-billion bad idea for Jordan Downs

The L.A. Housing Authority proposal for a 2,100-unit project represents a stunning waste of money and opens the door wide to fraud. Focusing on the benefits of less crime could revitalize the area.

By T.A. Frank

November 8, 2009

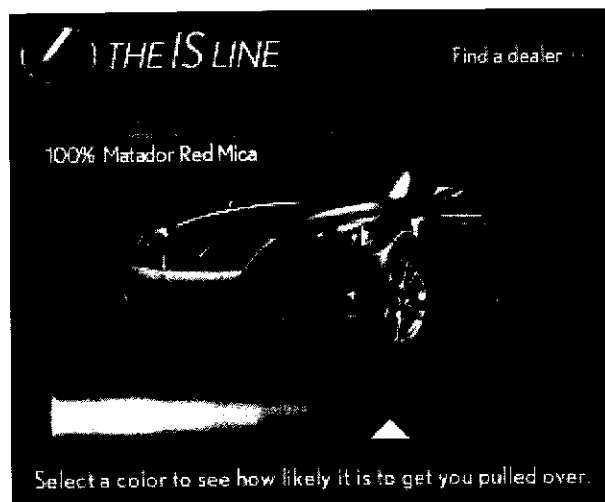
Bad ideas, if they were ever widely accepted, have a curious way of sticking around. That's because they give rise to institutions that have a momentum of their own. We've long known there are better ways to fix blighted neighborhoods than simply pressing "reset" -- that is, letting the government tear down old buildings and put up new ones. But we remain saddled with a system of public housing that keeps looking for ways of, well, pressing reset.

And now that bad idea is coming to Watts, with an estimated price tag of \$1 billion. What we have, then, is not just a bad idea but a really expensive bad idea.

Here's what we know so far. The Housing Authority of the City of Los Angeles -- with the support of the mayor, the City Council and Rep. Maxine Waters (D-Los Angeles) -- plans to tear down the 700-unit Jordan Downs housing project and replace it with a 2,100-unit, mixed-income development -- one with stores, restaurants, perhaps even an elementary school. There are also plans to refurbish nearby Jordan High School. In the end, it is hoped this ambitious project will not only fix Jordan Downs but set the stage for a recovery throughout Watts.

Now, the idea of getting rid of Jordan Downs isn't intrinsically bad. Nor is the idea of spending a billion dollars on Watts. But specifics matter. I might want a necktie, and I might want \$1 million, but I don't want a \$1-million necktie.

With \$1 billion, we could give each of the roughly 700 families in Jordan Downs \$1 million and still have \$300 million in hand. Of course, the actual \$1-billion plan includes housing and amenities for 2,100 families. But even if we allowed, say, \$400 million for retail and infrastructure (or the price tag for the massive Americana at Brand in Glendale), the per-unit cost would still be close to \$300,000. Meanwhile, perfectly habitable three-bedroom houses in Watts are going unsold at prices of \$150,000 or less.



Then there's the question of who's overseeing the redevelopment. That would be the Housing Authority, which many residents of Jordan Downs distrust. That's understandable. The agency has for decades treated them -- and taxpayers' money -- with highhanded neglect or worse. In the 1990s, for example, a multimillion-dollar renovation left residents with sewage in their kitchen sinks. In 2004, the agency's top two officials left abruptly -- one after a scandal involving overpayment of subsidies and the other after a federal audit uncovered \$1.7 million in overbilling, improper spending and unsubstantiated costs.

Today the agency has new leaders but, sadly, many old habits. In 2007, a top manager, Victor Taracena, was fired for allegedly directing more than \$800,000 worth of contracts to family members. In August 2008, the federal Department of Housing and Urban Development found that the Housing Authority had improperly used more than \$27 million in restricted funds to cover its operating losses. And in November 2008, 63% of Housing Authority-subsidized, privately owned units that HUD inspected "did not meet housing quality standards." Added to all this is a striking lack of transparency. For instance, Housing Authority officials declined numerous requests for interviews about the financial details of the Jordan Downs project.

Supporters of the redevelopment acknowledge these concerns but consider the idea of a fresh start for Watts too inspiring to refuse. They point to places such as Atlanta, where government renewal projects revived dangerous neighborhoods. They also mention Boyle Heights, where the Housing Authority's redevelopment of the Aliso Village projects had a positive effect.

But such projects also included the dispersal of many of the residents. While this was often carried out in an ugly and unfair way, it at least cleared out many tenants who were dangerous or otherwise undesirable. (Fewer than 300 out of 1,200 displaced families returned to Aliso Village, for instance.) The Jordan Downs plan calls for no one to be displaced. That's good news for the residents, but it's unlikely to replicate the revival in Atlanta.

Los Angeles has other choices with Jordan Downs. City officials seem to believe that clearing away blight is the key to attracting jobs and reducing crime, but couldn't it work the opposite way? In New York in the late 1990s, when crime rates dropped, neighborhoods quickly saw the economic benefits. In Brooklyn, according to City Journal, after crime dropped by 45% along blighted Franklin Avenue, 22 new stores opened in 16 months. In Harlem, where shootings were once daily occurrences, the turnaround has been so dramatic that people now complain about new arrivals like Starbucks.

In Watts, the Los Angeles Police Department, partnering with groups such as the Watts Gang Task Force, brought homicide rates down by 50% between 2006 and 2008, and community-police relations have significantly improved. This is a promising foundation on which to build -- with increased community policing and incentives for businesses -- and it wouldn't involve the Housing Authority spending millions on the construction of new housing amid a housing glut.

Not that Jordan Downs and its inhabitants should be left behind. Here's a better way to spend \$1 billion in Watts: Have the agency buy every family in Jordan Downs a \$300,000 renovated house nearby, and you've spent \$210 million. That leaves a clean \$790 million for more law enforcement, new and improved schools and so much more.

As for Jordan Downs itself, the city could help plug its deficit and get additional residential units into Watts by selling the complex to a builder who comes up with a blueprint for pleasant, affordable, market-rate housing. Or it could help create tenant-owned cooperatives, much like what the nonprofit Jacobs Center for Neighborhood Innovation has been doing in San Diego. Or it could convert the land

into a much-needed park.

I know: Urban renewal doesn't work this way. While it would be nice to have \$1 billion to divvy up creatively, redevelopment depends on existing funding mechanisms, such as tax credits, federal assistance and a bureaucracy locked into hitting reset. But this only underscores what a straitjacket our public housing system has become.

None of this is to deny that, by supporting the Jordan Downs plan, many officials are fighting honorably to help an area in need. But that doesn't make the project a sensible answer to the question of how to revive Watts. The potential for waste and perhaps even fraud, the lack of a truly imaginative plan, the indications that the Housing Authority is very much as it ever was -- all of this suggests we're about to mispend a lot of dollars at a time when dollars are scarce. The plan for Jordan Downs is, in short, a very bad idea. And today, good ones are all we can afford.

T.A. Frank is an Irvine fellow at the New America Foundation.

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FOR YOUR
INFORMATION

Housing Authority - County of Los Angeles

FOR YOUR INFORMATION ONLY

November 18, 2009

TO: Housing Commissioners

FROM: Margarita Lares, Director, Assisted Housing Division

RE: **FSS PROGRAM UPDATE – OCTOBER 2009**

The Family Self-Sufficiency (FSS) Program is a HUD initiative intended to assist Public Housing residents and Housing Choice Voucher Program participants achieve economic independence and self-sufficiency.

Activities

| | | |
|--|-----|--|
| RECRUITMENT | 216 | Applications received |
| | 17 | Applications Sent |
| | 2 | Partnership Presentations |
| | | |
| ENROLLMENTS | 4 | New Participants |
| | | |
| MEETINGS | 1 | Southeast Area Social Services Funding Authority Partnership Meeting |
| | 1 | Southern California Family Self Sufficiency Network Collaborative |
| | | |
| WORKSHOPS Program Presentations | 1 | Southeast Area Social Services Funding Authority Partnership Meeting |
| | 1 | Southern California Family Self Sufficiency Network Collaborative |
| | 3 | Disseminated Credit Repair informational Packets |
| | 6 | Disseminated budget informational packets |
| | | |
| REFERRALS | 19 | FSS employment network job board |
| | 3 | CDC Home Ownership Program (HOP) |
| | 1 | Healthcare and Dental care information |
| | 2 | Childcare information |
| | 7 | Community counseling services |
| | 29 | WorkSource Center employment workshops and job fairs |
| | | |
| GRADUATIONS | 6 | FSS graduations |

If you have any questions, please feel free to contact me at (562) 347-4837.

ML:WB:RM:dt

FOR YOUR INFORMATION ONLY

From: Elisa Vasquez

Sent: Monday, November 09, 2009 10:09 AM

To: Directors/Managers

Cc: Daniel Rofoli; Debra Solis; Elisa Vasquez; Geoffrey Siebens; Gloria Ramirez; Grace Thamawatanakul; Gregg Kawczynski; Joan Wall; Jose Pilpa; Lynna Ochoa; Marcie Miranda; meiwen fang; Nicholas Teske; Raymond Webster; Samantha Harrison

Subject: Legislative Update

Hello,

Below please find an update on Federal legislative activity. There has been no recent action in Sacramento that directly impacts the CDC. Please let me know if you have any questions.

Federal Legislation

H.R. 3962, the Affordable Health Care for American Act, was passed by the House last Saturday by a vote of 220 to 215. This legislation is expected to contain several components of interest to the County and may contain an amendment wherein supportive housing providers that participate in the program would be able to be reimbursed by Medicaid for a variety of coordinated health services, including primary and behavioral health care services (this amendment language is found in *S 1781, the Reduce Emergency Department Utilization through Coordination and Empowerment (REDUCE) Act*, which IGR and HDP have been tracking and which may have been added as a manager's amendment to *H.R. 3962*). As this provision could be a possible solution to the problem of service funding for the County's supportive housing, the CDC is working with the County and our Washington affiliates to identify the best approach for advocacy of the amendment. Bill language is not yet available.

FFY 2010 Appropriations

At the end of October, Congress passed a second Continuing Resolution (CR) extending funding for all federal programs past the original October 31, 2009 deadline. This will give the Legislature the needed time to address the remaining FFY 2010 budget measures (including T-HUD), while tackling heated health care and environmental bills. The CR will expire on December 18, 2009.

IGR will continue to monitor and report on these and any other relevant legislative matters.

Thanks,
Elisa

Community Development Commission

FOR YOUR INFORMATION ONLY

October 28, 2009

TO: Each Supervisor

FROM: Sean Rogan, Executive Director



SUBJECT: **UPDATE ON THE PURSUIT AND IMPLEMENTATION OF FUNDING MADE AVAILABLE IN H.R. 1, THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

On March 31, 2009, the Board of Supervisors requested that the Community Development Commission/Housing Authority of the County of Los Angeles (CDC/HACoLA) report on the efforts to apply for, or take the necessary steps to accept, each category of funding contained within ARRA that the CDC/HACoLA is eligible to receive, either by formula or by competitive grant application. This memorandum contains the most updated information pursuant to that request. An ARRA fund tracking chart has been added to this memo to assist in the tracking of these grants.

ARRA Funding Opportunities

Public Housing Capital Fund (CF) - See funding amounts below.

Both formula and competitive funding grants are available for the CF in ARRA. The funding is available for the capital and management needs of public housing agencies (PHAs), except that the use of funds cannot be for operations or rental support. There is a 10% administrative cap on the formula funds; however, we have only budgeted for \$100,000.

Formula Grant - \$7,401,512 (by formula)

Applying for the Funds: The U.S. Department of Housing and Urban Development (HUD) published a Notice of Funding Availability (Notice) for the CF formula funds on March 18, 2009. On March 31, 2009, the Board of Commissioners approved a motion to accept the grant funds, and funding became available to the HACoLA on May 14, 2009.

Using the Funds: The funds are being used for security improvements, energy efficiency work measures, preventive maintenance, and general improvements at 12 public housing developments comprised of 2,500 public housing units.

Funding & Expenditure Levels: Of the \$3 billion made available nationally, HUD granted \$7.4 million by formula to the HACoLA. As of October 21, 2009, the HACoLA had expended \$1,246,742.81 of the \$3,164,954.08 obligated. The HACoLA must obligate 100% of the funds within 1 year, expend 60% of the funds in 2 years, and complete 100% of the fund expenditures in 3 years.

Competitive Grant - (Of the total \$995 million available, the HACoLA has applied for \$22,399,000.)

Applying for the Funds: On June 3, 2009, HUD issued an update to the CF competitive funds Notice originally published on May 7, 2009. In this, HUD altered the eligibility requirements which ultimately led to the HACoLA's pursuit of funding in the following categories.

On June 22, 2009, the HACoLA applied for \$16,475,000 in funding from the following 2 funding categories.

- Improvements Addressing the Needs of the Elderly and/or People with Disabilities (\$9,235,000) - To improve public housing units for the elderly and/or people with disabilities, and/or to create community facilities for the delivery of supportive services.
- Public Housing Transformation (\$7,240,000) - To transform distressed public housing projects in low poverty neighborhoods through new construction or rehabilitation.

On July 21, 2009, the HACoLA applied for \$5,924,000 in funding from the following funding category.

- Creation of an Energy Efficient Green Community - To facilitate transformational energy efficient and "green" retrofits to substantively increase energy efficiency and environmental performance.

Using the Funds: The HACoLA was only awarded funding in the 'Creation of an Energy Efficient Green Community' category. Resources will be used at the Nueva Maravilla housing development to reduce energy costs, generate resident and PHA energy savings, and reduce greenhouse gas emissions attributable to energy consumption.

Funding & Expenditure Levels: HUD granted approximately \$995 million nationally by competition between all categories. Notification was received on September 23, 2009 that the HACoLA was awarded \$5,924,000 in the 'Creation of an Energy Efficient Green Community' category. There are no expenditures to date as the HACoLA has not received the funding. Once obtained, 100% of the funds must be obligated within 1 year of the date in which funds become available for contracts. HUD requires the HACoLA to use at least 60% of the funds within 2 years and 100% of the funds within 3 years.

Community Development Block Grant (CDBG) - \$8,080,528 (by formula)

HUD granted CDBG ARRA (CDBG-R) funding by formula. Eligible uses of the funding align with the existing CDBG program. In this, local governments can undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing, and create economic opportunities, mainly for people of low- and moderate-income. There is a 10% administrative cap on the use of CDBG-R funds.

Applying for the Funds: Although HUD released the formula grant in February of 2009, HUD did not release the Notice for CDBG-R funding until May 5, 2009. The CDC submitted an amendment to the CDBG Program Year 2008 Action Plan (as required by ARRA) on June 5, 2009, after receiving approval from the Board of Supervisors (Board) on June 2, 2009. The CDC received the Grant Agreements on August 26, 2009.

Using the Funds: During June and July 2009, the CDC worked with participating cities and Supervisorial Districts to identify eligible funding uses under CDBG-R. The CDC was expecting to present the projects to the Board for approval on July 21, 2009, but was stalled due to an initial review by HUD, which flagged approximately 7 projects related to recreational activities. According to HUD, only ADA improvement projects at park facilities will be allowed under ARRA. In light of the change, the CDC worked with the agencies affected by this regulation and submitted a revised list of projects for approval to HUD on August 13, 2009, and the Board on August 18, 2009. Both HUD and the Board approved the revised list of projects for the CDC's CDBG-R Program. Most of the contracts have been executed and some projects have been implemented. Reporting requirements have been met.

Funding & Expenditure Levels: Of the \$1 billion made available nationally, HUD granted \$8 million by formula to the CDC for the CDBG-R program. The CDC must use the entire grant of CDBG-R funds by September 30, 2012. The CDC must report on the number of jobs created and maintained, if applicable, as well as the regular CDBG accomplishments and performance measures for the program. As of October 26, 2009, the CDC had expended \$14,420.

Neighborhood Stabilization Program 2 (NSP2) - (Of the total \$2 billion available, the CDC has applied for \$61 million.)

HUD will grant NSP2, numbered because it is the second round of NSP funding (the first was through the Housing and Economic Recovery Act of 2008), by competition. Allowable uses include acquisition, disposition, direct homeownership support, housing rehabilitation, clearance (for blighted structures only), new housing construction, and housing counseling. There is a 10% administrative cap on use of NSP2 funds.

Applying for the Funds: HUD released a Notice for NSP2 competitive funding on May 7, 2009. On July 10, 2009, the CDC submitted an application for \$61 million to continue the Housing and Economic Recovery Ownership program (HERO) and Rental Infill Sites activities.

Using the Funds: The CDC will use NSP2 funding, if awarded, to supplement its NSP1 program, which includes the HERO program and Rental Infill Sites activities for tenants below 50% of the area median income (AMI).

Funding & Expenditure Levels: HUD has made \$2 billion available nationally by competition. All selected applicants will be notified by December 1, 2009. Once the funds are received, 50% must be used within 2 years, and 100% in 3 years. There are no expenditures to date as this grant has yet to be awarded.

Homelessness Prevention and Rapid Re-Housing Program (HPRP) - \$12,197,108 (by formula)

HUD granted HPRP funding by formula. Eligible uses include financial assistance, housing relocation and stabilization services, data collection and evaluation, as well as administration. There is a 5% administrative cap on the use of HPRP funds.

Applying for the Funds: HUD released a HPRP formula funding Notice on March 19, 2009. The CDC completed the application and the Board approved submittal to HUD at their April 28, 2009

meeting. The CDC submitted a completed application to HUD on May 18, 2009, and was subsequently approved in June. Trainings on reporting, program monitoring, and general implementation were held for the applicable County departments on August 19, 2009, and the CDC received the Grant Agreements on August 20, 2009.

Using the Funds: The HUD regulation requiring that all contracts be executed by September 30, 2009, has been met. Implementation began on October 1, 2009. Reporting requirements have been met.

Funding & Expenditure Levels: Of the \$1.5 billion made available nationally, HUD granted \$12.1 million by formula to the CDC. HUD requires that 60% of the funds be used within 2 years, and 100% in 3 years. Contracts with all County Departments have been executed and programs are underway. Referrals are handled by 211 and the Los Angeles County Resource Center, <http://housing.lacounty.gov>. As of October 26, 2009, the CDC had expended \$29,507.

Green Retrofit Program for Multifamily Housing - (Of the total \$2 billion available, the HACoLA has applied for \$2.26 million.)

HUD will award funding for the Green Retrofit Program for Multifamily Housing through loans and grants. Up to \$15,000 is available for each residential unit (with an expected average of \$10,000 for each unit) to reduce energy costs (more efficient heating and cooling systems), and water use (low-flow faucets and toilets). Also, funds can be used to improve indoor environmental quality (low-VOC products), and provide other environmental benefits (materials with recycled content, such as reflective roofing to reduce heat-island affects). There is no administrative cap.

Applying for the Funds: HUD released a competitive funding Notice on the Green Retrofit Program for Multifamily Housing on May 13, 2009. On June 15, 2009, the HACoLA submitted 2 applications, one for funding for the Kings Road site requesting \$1.06 million, and one for funding for the Lancaster Homes site requesting \$1.2 million. As previously reported, these applications were initially flagged by HUD and prevented from moving forward due to the issues associated with the Ujima Village site. However, HUD has subsequently released the restrictions and both applications were resubmitted by August 28, 2009.

Using the Funds: The HACoLA plans to continue pursuing funding for the modernization and rehabilitation of the Kings Road and Lancaster Homes developments.

Funding & Expenditure Levels: Of the \$250 million made available nationally by competition, the HACoLA applied for \$2.26 million. If granted funding, the HACoLA expects to begin making improvements immediately following, as all work must be completed within 2 years. There are no expenditures to date as this grant has not been awarded.

Juvenile Justice and Crime Prevention Act Program (JJCPA)/Edward Byrne Memorial Competitive Grant Program - (Of the total \$225 million available, the CDC has applied for \$974,283.)

The U.S. Department of Justice (DOJ) will grant Edward Byrne Memorial Competitive Grant Program funding by competition. This funding is available to aid state, local, and tribal

Each Supervisor
October 28, 2009
Page 5

jurisdictions in improving the criminal justice system, providing support to victims of crime (other than by compensation), and supporting communities in preventing drug abuse, as well as crime. In addition, ARRA allows Byrne Memorial Competitive Grant funding for "youth mentoring grants." The CDC seeks a 10% administrative allowance.

Applying for the Funds: The CDC submitted an application on April 27, 2009, and may be 1 of several County Departments applying for these funds.

Using the Funds: Had the CDC been awarded, the funds would have been used to support existing JJCPA programs.

Funding & Expenditure Levels: Of the \$225 million made available nationally by competition, the CDC applied for \$974,283. The CDC was not a recipient of this funding.

If you have any questions, please contact me at (323) 890-7400, or Terry Gonzalez, Director, CDBG Division, at (323) 890-7150.

SR\TG\SH\nm

H:\SH\1 Legislation\1 Congress\Laws - Bills Passed\HR 1- American Recovery & Reinvestment Act 2009 (ARRA)\4 Monthly Board Report on Fund Spending\091030\091028 ARRA Board Update.doc

Attachment

c: Each Deputy
Lari Sheehan, Deputy Chief Executive Officer, Chief Executive Office
Ellen Sandt, Deputy Chief Executive Officer, Chief Executive Office
Jackie White, Deputy Chief Executive Officer, Chief Executive Office
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Lisa Rizzo, Principal Analyst, Chief Executive Office
Scott Wiles, Special Assistant, Chief Executive Office
Jenny Serrano, Program Specialist, Chief Executive Office

The CDC/HACoLA
American Recovery and Reinvestment Act of 2009 (ARRA) Proposal and Award Tracking Chart
As of October 28, 2009

| ARRA GRANT OPPORTUNITY | | FUNDING AGENCY | FORMULA AMOUNT/ \$ APPLIED FOR | AMOUNT AWARDED | GRANT AGREEMENT* |
|---|--|----------------|-----------------------------------|-----------------|------------------|
| 1 | Capital Fund (formula) | HUD | \$7,401,512 | \$7,401,512 | Yes |
| 2 | Capital Fund (competitive) - Disabilities Category | HUD | \$9,235,000 | Did Not Receive | No |
| 3 | Capital Fund (competitive) - PH Transformation | HUD | \$7,240,000 | Did Not Receive | No |
| 4 | Capital Fund (competitive) - Green Technology | HUD | \$5,924,000 | \$5,924,000 | No |
| 5 | Community Development Block Grant - Recovery | HUD | \$8,080,528 | \$8,080,528 | Yes |
| 6 | Neighborhood Stabilization Program 2 | HUD | \$61,000,000 | Pending | No |
| 7 | Homeless Prevention and Rapid Re-Housing Program | HUD | \$12,197,108 | \$12,197,108 | Yes |
| 8 | Green Retrofit Program for Multifamily Housing | HUD | \$2,260,000 | Pending | No |
| 9 | Edward Byrne Memorial Competitive Grant | DOJ | \$974,283 | Did Not Receive | No |
| Total Awarded Under ARRA as of 10/28/2009 | | | \$33,603,148 | | |

*Grant Agreement Received – Funds available for drawdown at U.S. Treasury.

HOUSING AUTHORITY COUNTY OF LOS ANGELES - CONVENTIONAL AND NON-CONVENTIONAL HOUSING

FOR YOUR INFORMATION ONLY

| GROUP NO. | SITE | ADDRESS | NO. OF UNITS | HUD DEV. NO. | PROJECT NUMBER | Year Built | Year Acquired |
|-----------|--|--|--------------|--------------|-----------------------------|------------|---------------|
| 1 | Carmelitos (family) | 700 Via Wanda, Long Beach 90805 | 558 | CA16P002001 | SS1102 | 1939 | 1939 |
| 1 | Carmelitos (senior) | 761 Via Carmelitos, Long Beach 90805 | 155 | CA16P002026 | SS1102 | 1939 | 1939 |
| | Total Unit Count: Carmelitos | | 713 | | | | |
| 2 | Harbor Hills (family/senior) | 26607 S. Western Ave., Lomita 90717 | 301 | CA16P002002 | SS1203 | 1941 | 1941 |
| | Total Unit Count: Harbor Hills | | 301 | | | | |
| 3 | Nueva Maravilla (family/senior) | 4919 E. Cesar E. Chavez Ave., Los Angeles 90022 | 504 | CA16P002004 | SS1301 | 1943 | 1942 |
| | Total Unit Count: N. Maravilla | | 504 | | | | |
| 4 | West Knoll (senior) | 838 West Knoll Ave., West Hollywood 90069 | 136 | CA16P002014 | SS3001 | 1977 | 1979 |
| 4 | Palm Apartments (senior) | 859 Palm Ave., West Hollywood 90069 | 127 | CA16P002014 | SS3002 | 1978 | 1979 |
| | Total Unit Count: West County 1 | | 263 | | Admin Project XX0930 | | |
| 5 | Marina Manor I (senior) | 3401 Via Dolce, Marina Del Rey 90232 | 112 | CA16P002013 | SS3003 | 1983 | 1984 |
| 5 | Marina Manor II (senior) | 3405 Via Dolce, Marina Del Rey 90292 | 71 | CA16P002027 | SS3003 | 1983 | 1984 |
| 5 | Ocean Park (family/senior) | 175 Ocean Park Boulevard, Santa Monica 90405 | 22 | CA16P002018 | SS3006 | 1947 | 1986 |
| 5 | Monica Manor (family) | 1901-1909 11th Street, Santa Monica 90405 | 19 | CA16P002097 | SS3007 | 1987 | 1989 |
| | Total Unit Count: West County 2 | | 224 | | Admin Project XX0931 | | |
| 6 | Orchard Arms (senior) | 23410-23540 Wiley Canyon Rd., Valencia 91355 | 183 | CA16P002030 | SS2001 | 1980 | 1980 |
| 6 | Foothill Villa (senior) | 2423 Foothill Boulevard, La Crescenta 91214 | 62 | CA16P002029 | SS2002 | 1981 | 1982 |
| 6 | Quartz Hill I (family) | 5028 West Avenue L-12, Quartz Hill 93536 | 20 | CA16P002062 | SS2003 | 1984 | 1984 |
| 6 | Quartz Hill II (family) | 42051 51th Street West, Quartz Hill 93536 | 20 | CA16P002069 | SS2003 | 1984 | 1984 |
| | Total Unit Count: North County | | 285 | | Admin Project XX0920 | | |
| 7 | Francisquito Villa (family) | 14522 Francisquito Ave., La Puente 91746 | 89 | CA16P002015 | SS4002 | 1979 | 1980 |
| 7 | Carmelita Avenue (senior) | 354-354 So. Carmelita Ave., Los Angeles, 90063 | 2 | CA16P002091 | SS4003 | 1955 | 1985 |
| 7 | McBride Avenue (family) | 1229 So. McBride Ave., Los Angeles, 90023 | 4 | CA16P002021 | SS4004 | 1988 | 1984 |
| 7 | Williamson Avenue (family) | 705-708 1/2 So. Williamson Ave., Los Angeles, 90022 | 4 | CA16P002020 | SS4005 | 1972 | 1983 |
| 7 | Triggs Street (family/senior) | 4432-4434 1/2 Triggs St., Los Angeles 90023 | 4 | CA16P002097 | SS4006 | 1964 | 1983 |
| 7 | Simmons Avenue (family) | 927 So. Simmons Ave., Los Angeles, 90022 | 4 | CA16P002021 | SS4007 | 1939 | 1983 |
| 7 | 4th & Mednick (family) | 341 So. Mednick Ave., Los Angeles, 90022 | 2 | CA16P002034 | SS4009 | 1985 | 1985 |
| 7 | Arizona & Olympic (family) | 1003-1135 So. Arizona Ave., Los Angeles 90022 | 18 | CA16P002048 | SS4010 | 1984 | 1985 |
| 7 | Whittier Manor (senior) | 11527 Stauson Ave., Whittier 90606 | 49 | CA16P002033 | SS4011 | 1985 | 1982 |
| 7 | Herbert Ave (senior) | 133 Herbert Ave., Los Angeles 90063 | 46 | CA16P002058 | SS4012 | 1985 | 1984 |
| 7 | Sundance Vista (family) | 10850 Laurel Ave., Whittier 90605 | 41 | CA16P002156 | SS4014 | 1999 | 1999 |
| | Total Unit Count: East County | | 283 | | Admin Project XX0840 | | |
| 8 | El Segundo I (family) | 1929/3749 E. El Segundo Blvd., Compton 90222 | 30 | CA16P002023 | SS5001 | 1972 | 1982 |
| 8 | South Bay Gardens (seniors) | 230 E. 130th St., Los Angeles 90061 | 100 | CA16P002032 | SS5002 | 1982 | 1983 |
| 8 | 1115-16 W. 90th St. (family) | 1115-16 W. 90th St., Los Angeles 90044 | 18 | CA16P002091 | SS5005 | 1970 | 1984 |
| 8 | El Segundo II (2140) (family) | 2140-2144 1/2 E. El Segundo Blvd., Compton 90222 | 13 | CA16P002052 | SS5015 | 1982 | 1985 |
| 8 | El Segundo II (2141) (family) | 2141-2145 E. El Segundo Blvd., Compton 90222 | 5 | CA16P002061 | SS5015 | 1986 | 1985 |
| 8 | 9104-16 S. Bandera St. (family) | 9104-16 S. Bandera St., Los Angeles, 90002 | 8 | CA16P002080 | SS5016 | 1983 | 1983 |
| 8 | 1535 E. 83rd Street (family) | 1535 E. 83rd St., Los Angeles 90002 | 2 | CA16P002080 | SS5017 | 1985 | 1985 |
| 8 | 1615-17 E. 87th Street (family) | 1615-17 E. 87th St., Los Angeles 90002 | 4 | CA16P002067 | SS5018 | 1982 | 1985 |
| 8 | 8739 Beach St. (88th & Beach) (family) | 8739 Beach St., Los Angeles 90002 | 4 | CA16P002056 | SS5019 | 1982 | 1985 |
| 8 | 4212-20 E. Addington Street (family) | 4212-20 E. Addington St., Compton 90221 | 3 | CA16P002071 | SS5020 | 1982 | 1984 |
| 8 | W. Imperial (family) | 1221 & 1309 E. Imperial Hwy., Los Angeles 90044 | 9 | CA16P002132 | SS5026 | 1991 | 1992 |
| 8 | Athens (family) | 1120 W. 107th St., 1310 W. 110th St., & 11104 S. Normandie Ave., Los Angeles 90044 | 10 | CA16P002127 | SS5027 | 1988 | 1996 |
| 8 | 1527 E. 84th (family) | 1527 E. 84th St., Los Angeles 90001 | 4 | CA16P002107 | SS5029 | 1998 | 1998 |
| 8 | Jarvis Avenue (family) | 12920 Jarvis Ave., Los Angeles 90061 | 1 | CA16P002107 | SS5030 | 1997 | 1997 |
| 8 | Woodcrest I (family) | 1239 W. 109th St., Los Angeles 90044 | 10 | CA16P002066 | SS5003 | 1983 | 1984 |
| 8 | Woodcrest II (family) | 1245 W. 109th St., Los Angeles 90044 | 10 | CA16P002090 | SS5003 | 1983 | 1984 |
| 8 | 1101-09 W. 91st (family) | 1101-09 W. 91st St., Los Angeles 90044 | 16 | CA16P002021 | SS5006 | 1965 | 1983 |
| 8 | 1232-34 E. 119th (family) | 1232-34 E. 119th St., Los Angeles 90059 | 2 | CA16P002021 | SS5007 | 1955 | 1986 |
| 8 | 1231-33 E. 61st (family) | 1231-33 E. 61st St., Los Angeles 90001 | 6 | CA16P002021 | SS5008 | 1961 | 1983 |
| 8 | 1100 W. 106th Street (family) | 1100 W. 106th St., Los Angeles 90044 | 10 | CA16P002021 | SS5009 | 1970 | 1984 |
| 8 | 1104 W. 106th Street (family) | 1104 W. 106th St., Los Angeles 90044 | 10 | CA16P002020 | SS5009 | 1970 | 1984 |
| 8 | 1320 W. 107th (family) | 1320 W. 107th St., Los Angeles 90044 | 18 | CA16P002021 | SS5010 | 1970 | 1984 |
| 8 | 11431-463 S. Normandie (family) | 11431-463 S. Normandie Ave., Los Angeles 90047 | 28 | CA16P002020 | SS5011 | 1970 | 1984 |
| 8 | 1027-33 W. 90th (family) | 1027-33 W. 90th St., Los Angeles 90044 | 6 | CA16P002078 | SS5014 | 1983 | 1986 |
| 8 | W. 106th Street & Budlong (family) | 1334-38 W. 106th St., 9410 & 11126 Budlong Ave., Los Angeles 90044 | 11 | CA16P002079 | SS5021 | 1983 | 1985 |
| 8 | W. 94th & 95th Street (family) | 1035-37 1/2 W. 94th St. & 1324 W. 95th St., Los Angeles 90044 | 8 | CA16P002060 | SS5022 | 1983 | 1985 |
| 8 | W. 105th & 106th (family) | 1336-40 W. 105th St. & 1057 W. 106th St., Los Angeles 90044 | 13 | CA16P002124 | SS5024 | 1991 | 1991 |
| 8 | Century Wilton (family) | 10025 Wilton Place, Los Angeles 90047 | 40 | CA16P002020 | SS5025 | 1965 | 1984 |
| 8 | 11248 S. Budlong (family) | 11248 S. Budlong, Los Angeles 90044 | 6 | CA16P002138 | SS5028 | 1991 | 1996 |
| 8 | 11117 & 11119 Firmona Ave., Lennox 90304 | 11117 & 11119 Firmona Ave., Lennox 90304 | 2 | Pending | SS5031 | 1967 | 2008 |
| 8 | Linsley | 4621 & 4625 Linsley St., Compton 90221 | 2 | CA16P002157 | SS5032 | 1967 | 2008 |
| | Total Unit Count: South County | | 409 | | Admin Project XX0950 | | |

Total Housing Authority-Owned - Conventional**2,962**

| | | | | | | | |
|-----------------------------|-----------------------|--------------------------------|----|--|--------|------|------|
| City of Lomita Conventional | Lomita Manor (senior) | 24925 Walnut St., Lomita 90717 | 78 | | SS1204 | 1985 | 1985 |
|-----------------------------|-----------------------|--------------------------------|----|--|--------|------|------|

Non-Conventional Housing

| | | | | | | | |
|--|-------------------------------|--|-----|---------------|--------|------|------|
| | Kings Road JPA (senior) | 800-801 N. Kings Road., West Hollywood 90069 | 106 | 122-94014 | UU0001 | 1980 | 1980 |
| | Lancaster Homes (senior) | 711-737 W. Jackman St., Lancaster 93534 | 120 | 122-94013 | UL0002 | 1978 | 1979 |
| | Santa Monica RCHP (family) | 1855 9th St., 1450 14th St., & 2006 20th St., Santa Monica 90405 | 41 | 80-RHC-008 | SS3005 | 1983 | 1984 |
| | Villa Nueva RHCP (family) | 958-676 S. Ferris Ave., Los Angeles 90022 | 21 | 80-RHC-008B | SS4013 | 1985 | 1985 |
| | Willowbrook (family) | 11718-11740 Willowbrook Ave., Los Angeles 90044 | 8 | CA16-M000-385 | SS6001 | 1975 | 1990 |
| | Ujima Village (family/senior) | 941 E. 126th St., Los Angeles 90059 | 300 | CA16-E000-028 | SS8001 | 1971 | 1995 |

Total Number of Units- Non Conventional**596****Total Number of Units- HM****3,636**

**Modernization Construction Activity to be completed
in FY 2008-09**

FOR YOUR INFORMATION ONLY

- 1 106th Street- Fire damage & rehab
- 2 1101-1104 W. 106th Street - Drainage project
- 3 Arizona & Olympic/-Smoke Detectors
- 4 Carmelitos - Replace interior stair treads
- 5 Carmelitos Senior - Hallway painting and repairing stairs
- 6 Carmelitos Senior - Replace carpet
- 7 Carmelitos-Replace Gas Lines Phase IV
- 8 Foothill Villa - Replace flooring
- 9 Francisquito-Replace carpet
- 10 Francisquito-Replace smoke detectors/exit signs
- 11 Francisquito-Replace windows and blinds
- 12 Harbor Hills - Remodel kitchens Phase I
- 13 Herbert-Fire Alarm
- 14 Herbert-Replace carpet
- 15 Linsley and Firmona - General rehab.
- 16 Marina Manor I & II - Replace elevators
- 17 Marina Manor- Install awnings
- 18 Marina Manor-Replace smoke detectors & exit signs
- 19 McBride-Paint Building exterior
- 20 Ocean Park-Termite Abatement
- 21 Palm-Replace smoke detectors
- 22 Palm-Upgrade Elevator
- 23 Quartz Hill-Replace air conditioners
- 24 Scattered Sites - Replace gates at 13 sites
- 25 South Bay Gardens-Replace Elevator
- 26 SSS-CCTV at 4 sites
- 27 Sundance Vista - Install irrigation and replace rear yard fencing
- 28 Westknoll-Replace smoke detectors
- 29 Whittier Manor - Replace stair treads
- 30 Whittier Manor-Entry Door Replacement

30 Construction Contracts at 33 Housing Developments

**Modernization Construction Activity anticipated to be completed
in FY 2009-10**

- 1 Carmelitos- Parking Lots
- 2 Carmelitos Senior-ADA Kitchen remodels/smoke detectors
- 3 Carmelitos-Raised Garden Beds
- 4 Carmelitos-Resurface Playground
- 5 Foothill Villa-Elevator Upgrade
- 6 Foothill Villa-Replace smoke detectors
- 7 Francisquito Villa - Upgrade elevators
- 8 Harbor Hills - Remodel kitchens Phase II & III
- 9 Harbor Hills-Parking Lots
- 10 Harbor Hills-Resurface Playground
- 11 Herbert - Upgrade elevator
- 12 Lomita Manor-Elevator Upgrade
- 13 Lomita Manor-Replace boilers/trash chutes
- 14 Lomita Manor-Replace roof
- 15 Maravilla (Rosas)- Build Bridges to connect buildings
- 16 Maravilla (Rosas)-Upgrade Elevator
- 17 Maravilla- Parking Lots
- 18 Marina Manor I & II - Replace security gates
- 19 Ocean Park - Replace wall heaters
- 20 Ocean Park-Remodel kitchens/bathrooms
- 21 Ocean Park-Repair Stucco
- 22 Orchard Arms- Replace boilers/copper piping
- 23 Orchard Arms- Smoke detectors
- 24 Orchard Arms-Elevator Upgrade
- 25 Orchard Arms-Repave driveway
- 26 Quartz Hill-Replace water valves
- 27 SSS-Vacant Unit Rehab at 4 sites
- 28 Whittier Manor- Smoke detectors
- 29 Whittier Manor-Elevator Upgrade
- 30 Woodcrest-Replace Roof

Anticipating 30 Construction Contracts at 24 Housing Developments



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich
Commissioners

Sean Rogan
Executive Director

November 18, 2009

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**ADOPT RESOLUTION AUTHORIZING ISSUANCE OF MULTIFAMILY HOUSING
MORTGAGE REVENUE BONDS FOR 105TH STREET & NORMANDIE SENIOR
HOUSING DEVELOPMENT IN UNINCORPORATED WEST ATHENS/WESTMONT
(DISTRICT 2)**

SUBJECT

This letter requests that the Board of Commissioners authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds to finance the site acquisition and construction of 105th Street & Normandie Senior Housing, a proposed 62-unit multifamily rental housing development to be located in unincorporated West Athens/Westmont.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners adopt and instruct the Chairman to sign a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds by the Housing Authority, in an aggregate amount not exceeding \$8,000,000, to help Normandie Senior Housing Partners L.P. (Developer) to finance the site acquisition and construction of 105th & Normandie Senior Housing, a proposed 62-unit multifamily rental housing project to be located at 10402, 10408, 10410 and 10426 South Normandie Avenue, 1344 West 104th Street and 1335 West 105th Street in unincorporated West Athens/Westmont.
2. Recommend that the Board of Commissioners authorize the Executive Director to execute all related documents and take all



necessary actions for the issuance, sale, and delivery of the bonds.

3. Recommend that the Board of Commissioners find that adoption of a resolution authorizing the issuance of Multifamily Housing Mortgage Revenue Bonds is not subject to the California Environmental Quality Act because the proposed activity will not have the potential for causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to authorize the issuance, sale and delivery of Multifamily Housing Mortgage Revenue Bonds, in an aggregate amount not to exceed \$8,000,000 to finance the site acquisition and construction of 105th & Normandie Senior Housing (Project). This action will also allow the bonds to qualify for a tax exemption under Section 103 of the Internal Revenue Code of 1986.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

The Developer will repay the bonds solely through rent revenues, and will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Housing Authority issues Multifamily Housing Mortgage Revenue Bonds on an ongoing basis to provide financing to increase the supply of multifamily housing for very low, low-, and moderate-income families throughout Los Angeles County.

The proposed 105th Street & Normandie Senior Housing development will be located at 10402, 10408, 10410 and 10426 South Normandie Avenue, 1344 West 104th Street and 1335 West 105th Street in unincorporated West Athens/Westmont. The development will be a three-story apartment building, comprised of 55 one-bedroom units and seven two-bedroom units. Six of the one-bedroom units will be reserved for households with incomes that do not exceed 25% of the area median income (AMI) for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development. Twenty-three of the one-bedroom units will be reserved for households at 45% AMI or below, and the remaining 26 one-bedroom units will be reserved for households at 50% AMI or below. Of the seven two-bedroom units, six will be reserved for households at 45% of AMI or below, and one will be a manager's unit with no affordability requirements. The affordability

requirements will remain in effect for 55 years. Six of the affordable units will be occupied by special needs households.

On July 8, 2008, the Board of Commissioners adopted an Inducement Resolution declaring the intent of the Housing Authority to undertake the financing of a Multifamily Housing Mortgage Revenue Bond project in accordance with United States Treasury Department Regulations. This action established a base date after which costs incurred by the Developer for the project could be included in the acquisition, construction and permanent financing obtained pursuant to the issuance of tax-exempt bonds.

On July 8, 2008, the Board of Supervisors adopted a resolution approving issuance of the bonds, as authorized by Section 147(f) of the Internal Revenue Code of 1986, and the Housing Authority conducted a public hearing regarding the issuance of bonds. Due to delays in funding, the issuance of the bonds was postponed. Under Internal Revenue Code regulations, the resolution approving bond issuance is valid for 12 months, and the bonds must be issued by the end of that period.

In anticipation of the bond issuance deadline, the Housing Authority conducted a second public hearing regarding issuance of the bonds on July 10, 2009. No comments were received at either public hearing concerning the nature and location of the project or bond issuance.

On September 15, 2009 the Board of Supervisors adopted a second resolution approving issuance of the bonds, which extended the deadline.

The attached resolution has been prepared by Orrick, Herrington & Sutcliffe, Housing Authority Bond Counsel, and has been approved as to form by County Counsel. All related documents are on file with the Executive Office of the Board of Commissioners. They will be approved as to form by County Counsel prior to execution by the authorized parties.

The Tax Credit Investor is requiring bond issuance to occur no later than December 31, 2009 in order to solidify tax credit pricing. Therefore, we recommend adoption of the attached resolution to authorize the issuance, sale and delivery of bonds prior to the California Debt Allocation Committee meeting on December 16, 2009.

ENVIRONMENTAL DOCUMENTATION

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines

15060(c)(3) and 15378 because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

The Environmental Assessment/Mitigated Negative Declaration (EA/MND) was prepared for the project pursuant to the requirements of the National Environmental Policy Act. Based on the conclusions and findings of the EA/MND, a Finding of No Significant Impact was approved by the Certifying Official of the Community Development Commission on February 7, 2007. Following the required public and agency comment period, HUD issued a Release of Funds for the project on February 21, 2007.

In accordance with the requirements of CEQA, the Board of Commissioners of the Community Development Commission approved the EA/MND for this project on November 6, 2007. The Board of Supervisors, acting as a Responsible Agency, approved the EA/MND for this project on July 8, 2008.

The environmental review record for this Project is available for public viewing during regular business hours at the Commission's main office located at 2 Coral Circle in Monterey Park.

IMPACT ON CURRENT PROJECT

The proposed action will increase the supply of affordable housing in the County.

Respectfully submitted,


for SEAN ROGAN
Executive Director

Attachment

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MULTIFAMILY HOUSING REVENUE BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,000,000 FOR THE PURPOSE OF MAKING A LOAN TO PROVIDE FINANCING FOR A MULTIFAMILY RENTAL HOUSING PROJECT KNOWN AS 105TH & NORMANDIE APARTMENTS PROJECT, DETERMINING AND PRESCRIBING CERTAIN MATTERS RELATING THERETO, AND APPROVING AND AUTHORIZING THE EXECUTION OF RELATED DOCUMENTS, AGREEMENTS AND ACTIONS.

WHEREAS, the Housing Authority of the County of Los Angeles ("the Authority") is authorized and empowered by the provisions of Section 34312.3 of the Health and Safety Code of the State of California (the "Act") to issue and sell revenue bonds for the purpose of making loans or otherwise providing funds to finance the acquisition and construction of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, there has been prepared and presented to this Board for consideration at this meeting the documentation required for the issuance of bonds for the financing of the 105th & Normandie Apartments Project (the "Project"); and

WHEREAS, it appears that each of the documents and instruments above referred to which are now before this meeting is in appropriate form and is an appropriate instrument to be executed and delivered for the purposes intended;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the County of Los Angeles, as follows:

1. It is hereby found and determined that it is necessary and desirable for the Authority to provide financing for the Project through the issuance and sale of the Bonds (as hereinafter defined) in order to assist in the acquisition and construction of the type of dwelling units provided by the Project.

2. For the purpose of raising moneys with which to effectuate financing for the Project, the Authority hereby determines to issue its Multifamily Housing Revenue Bonds (105th & Normandie Apartments Project), 2009 Series A, in one or more series, each with an appropriate series designation (the "Bonds"), in an aggregate principal amount not to exceed \$8,000,000. The Bonds shall bear interest at the interest rates set forth in or determined in accordance with a trust indenture (the "Indenture"), maturing as provided in the Indenture, but not later than 35 years from the date of issue. The Bonds shall be in substantially the form set forth in the Indenture, with such appropriate variations, omissions, insertions and provisions as are permitted or required by the Indenture, which shall be appropriately completed when the Bonds are prepared.

The Bonds shall be limited obligations of the Authority payable solely from the revenues, receipts and other moneys pledged therefor under the Indenture.

3. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of this Board and attested with the manual or facsimile signature of the Executive Officer of this Board.

4. The proposed form of Indenture, in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Indenture, in substantially said form, with such additions thereto or changes therein as such officer may approve or recommend upon consultation with counsel to the Authority and Bond Counsel to the Authority (provided that such additions or changes shall not authorize an aggregate principal amount of Bonds in excess of the amount stated above or result in an initial interest rate on the Bonds in excess of 9%), the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Indenture. The date, maturity dates, interest rate or rates, interest payment dates, denominations, form, registration privileges, manner of execution, place of payment, terms of redemption and other terms of the bonds shall be as provided in the Indenture as finally executed.

5. The proposed form of Loan Agreement (the "Loan Agreement"), in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Loan Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Loan Agreement.

6. The proposed form of Regulatory Agreement and Declaration of Restrictive Covenants (the "Regulatory Agreement") in the form presented to this meeting, is hereby approved. The Chair of this Board and the Executive Director of the Authority are each hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver the Regulatory Agreement, with such additions or changes in said document as such officer may recommend or approve upon consultation with counsel to the Authority and Bond Counsel to the Authority, the approval of such additions or changes to be evidenced conclusively by the execution and delivery of the Regulatory Agreement.

7. This Board hereby appoints the Executive Director of the Authority or his or her Deputy or designee as administrator/manager with respect to the Project and other matters arising in connection with the Bonds (the "Administrator").

8. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this resolution, whether before or after the issuance of the Bonds, including without limitation any of the foregoing which may be necessary

or desirable in connection with any default under or amendment of such documents, any transfer or other disposition of the Project or any redemption of the Bonds, may be given or taken by the Administrator without further authorization by this Board, and the Administrator is hereby authorized and directed to give any such consent, approval, notice, order or request and to take any such action which such officer may deem necessary or desirable to further the purposes of this resolution.

9. All actions heretofore taken by the officers and agents of the Authority with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the proper officers of the Authority are hereby authorized and directed, for and in the name and on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents, including but not limited to those described in the Indenture and the other documents herein approved, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds and to effectuate the purposes thereof and of the documents herein approved in accordance with this resolution and resolutions heretofore adopted by the Authority.

10. All resolutions or parts thereto in conflict herewith are, to the extent of such conflict, hereby repealed.

11. This resolution shall take effect upon its adoption.

PASSED AND ADOPTED by the Board of Commissioners of the Housing Authority of the County of Los Angeles, State of California, this ____ day of December, 2009, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

By: _____
Chairman of the Board
of Commissioners

ATTEST:

Sachi A. Hamai
Executive Officer
of the Board of Commissioners

By: _____
Deputy

APPROVED AS TO FORM:

ROBERT E. KALUNIAN
Acting County Counsel

By: Behnaz Jeshakmani
Deputy



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755
323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

November 18, 2009

Honorable Housing Commissioners
Community Development Commission
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**ACCEPT CAPITAL FUND RECOVERY COMPETITION FUNDS AND APPROVE
ARCHITECTURAL SERVICES CONTRACT FOR ELECTRICAL METER
CONVERSION PROJECT AT THE NUEVA MARAVILLA HOUSING
DEVELOPMENT IN UNINCORPORATED EAST LOS ANGELES
(DISTRICT 1)**

SUBJECT

This letter recommends approval of an architectural services contract with Carde Ten Architects for the Electrical Meter Conversion project at the Nueva Maravilla housing development located at 4919 Cesar E. Chavez Avenue in unincorporated East Los Angeles. Additionally, this letter requests that the Board of Commissioners authorize the Executive Director to accept Capital Fund Recovery Competition funds awarded by HUD for the Creation of Energy Efficient Green Communities at the Nueva Maravilla housing development.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners authorize the Executive Director to accept \$5,924,000 in Capital Fund Recovery Competition (CFRC) funds awarded by the U.S. Department of Housing and Urban Development (HUD).
2. Recommend that the Board of Commissioners award and authorize the Executive Director to execute and if necessary terminate a Contract in the amount of \$287,600 with Carde Ten Architects to provide architectural services and prepare construction documents for the Electrical Meter Conversion project at the Nueva Maravilla housing

development, using \$287,600 in CFRC funds allocated by HUD for this purpose, and following approval as to form by County Counsel.

3. Recommend that the Board of Commissioners authorize the Executive Director to execute amendments to the Contract, following approval as to form by County Counsel, to extend the time of performance for an additional year if needed, without increasing the total amount of compensation.
4. Recommend that the Board of Commissioners authorize the Executive Director to approve Contract change orders not exceeding \$28,760 for unforeseen project costs using the same source of funds and following approval as to form by County Counsel.
5. Recommend that the Board of Commissioners authorize the Executive Director to incorporate \$316,360 in CFRC funds into the Housing Authority's approved Fiscal Year 2009-10 budget for the purposes described above.
6. Recommend that the Board of Commissioners find that approval of the Contract is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the action is not defined as a project under CEQA.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to award a Contract for architectural consulting services to prepare construction documents and perform other related work for the Nueva Maravilla Electrical Meter Conversion project.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund. The Housing Authority will fund the Nueva Maravilla Electrical Meter Conversion project with \$287,600 in CFRC funds allocated by HUD, to be incorporated into the Housing Authority's approved Fiscal Year 2009-10 budget. A ten percent contingency, in the amount of \$28,760, is also being set aside for unforeseen costs, using the same source of funds.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On February 17, 2009, President Obama signed into law American Recovery and Reinvestment Act of 2009 (ARRA). ARRA authorized approximately \$4 billion in new Capital Fund Program (CFP) funds, of which \$3 billion is being distributed utilizing HUD's 2008 CFP formula and \$1 billion is being awarded through a competitive grant application.

HUD has already allocated approximately \$7,401,512 in CFP funds to the Housing Authority using their 2008 formula. The Housing Authority also applied for competitive grant funds, and on September 29, 2009, HUD awarded the Housing Authority \$5,924,000 in CFRC funds for the Creation of Energy Efficient Green Communities at the Nueva Maravilla housing development.

The Nueva Maravilla housing development is located at 4919 Cesar E. Chavez Avenue in unincorporated East Los Angeles. The Electrical Meter Conversion project will improve the community by installing a new underground electrical main service and transformers with individual metering at each single family unit. This new individual metering will encourage current residents to conserve energy. The present system is owned and maintained by the Housing Authority, and due to the system's age, is prone to service outages and equipment failures. The new system will be owned and maintained by Southern California Edison and will decrease the Housing Authority's maintenance expenses. The attached Contract provides for the creation of construction documents, preparation of plan check submissions, revisions, and assistance during the bidding and construction administration phases. The Contract may be extended for an additional year at no additional cost to the Housing Authority to allow the Consultant to fully perform the scope of work. It is anticipated that the entire project will be completed within 90 calendar days following the Notice to Proceed.

The improvements are being federally funded, and are not subject to the requirements of the Greater Avenues for Independence (GAIN) Program or the General Relief Opportunity for Work (GROW) Program implemented by the County of Los Angeles. Instead, the Consultant will comply with Section 3 of the Housing and Community Development Act of 1968, as amended, which requires that employment and other economic opportunities generated by certain HUD assistance be directed to low and very low-income persons, particularly to persons who are recipients of HUD housing assistance.

The Contract has been approved as to form by County Counsel and executed by Carde Ten Architects.

ENVIRONMENTAL DOCUMENTATION

This project is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(1) and (8) because it involves design activities that will not have a physical impact on or result in any physical changes to the environment. The action is not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378 because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

CONTRACTING PROCESS

On May 15, 2008, the Housing Authority and Community Development Commission jointly initiated a Request for Statement of Qualifications (RFSQ) process to identify the most qualified and experienced architectural and engineering firms to provide design services for various Housing Authority and Community Development Commission projects. Notices of the RFSQ were mailed to 316 architectural and engineering firms identified from the Community Development Commission's vendor list. Announcements also appeared in eight local newspapers and on the County Web Site. One hundred and thirty-nine RFSQ packages were requested and distributed.

On June 6, 2008, a total of 29 firms submitted Statements of Qualifications (SOQs). Immediately following the submittal deadline, a selection panel consisting of Housing Authority and Community Development Commission staff began independent evaluations of the SOQs. Twenty-five firms passed basic threshold requirements and were found to be qualified to provide services. The shortlist was reviewed and approved by the Acting Executive Director on August 6, 2008. On July 27, 2009, Carde Ten Architects was selected from the shortlist as the most qualified firm to provide the necessary services for this Contract.

Carde Ten Architects was invited to submit a fee proposal for architectural consulting services and entered into negotiations with the Housing Authority, resulting in the proposed Contract amount of \$287,600.

The Summary of Outreach Activities is provided as Attachment A.

IMPACT ON CURRENT PROJECT

The proposed Contract will provide for the necessary architectural consulting services to complete the Nueva Maravilla Electrical Meter Conversion project. These improvements will serve to conserve energy, increase safety, and improve the Housing Authority's services to the Nueva Maravilla residents.

Respectfully submitted,


for SEAN ROGAN
Executive Director

Attachments: 2

ATTACHMENT A

Summary of Outreach Activities

Request for Statements of Qualifications (RFSQ) for Architectural Consulting Services

On May 15, 2008, the following Request for Statements of Qualifications (RFSQ) was initiated to procure the most qualified architecture and engineering firms for various Housing Authority and/or Community Development Commission projects.

A. Newspaper Advertising

Beginning on May 15, 2008, announcements of the RFSQ appeared in the following eight local newspapers:

| | |
|-------------------------------------|---------------------------|
| Dodge Construction News/Green Sheet | Los Angeles Sentinel |
| Eastern Group Publication | Los Angeles Times |
| International Daily Public News | The Daily News |
| La Opinion | Wave Community Newspapers |

The announcement of the RFSQ was also posted on the County WebVen website. Firms were asked to request the RFSQs via email directly through the County's WebVen website or to obtain the RFSQ from the Commission/Housing Authority.

B. Distribution of RFSQs

The Commission's vendor list was used to mail out the RFSQ to 316 architectural and engineering firms, of which 240 identified themselves as businesses owned by minorities or women (private firms which are 51 percent owned by minorities or women, or publicly-owned businesses in which 51 percent of the stock is owned by minorities or women). As a result of the outreach, 139 RFSQs were requested and distributed by the Commission.

C. Pre-submittal conference

On May 22, 2008, a total of 77 firms attended a mandatory pre-submittal conference to address questions about the SOQ format, submittal requirements and scope of various projects.

D. Statements of Qualifications (SOQs)

On June 6, 2008, a total of 29 firms submitted SOQs, of which 10 identified themselves as female or minority-owned.

E. Review of SOQs and Newspaper Advertising

On July 27, 2009, staff from the Community Development Commission Construction Management Division selected Carde Ten Architects as the most qualified firm to provide the necessary services for this Contract.

Carde Ten Architects was invited to submit a fee proposal for architectural consulting services and entered into negotiations with the Housing Authority, resulting in the proposed Contract totaling an aggregate amount of \$287,600.00.

F. Participation of Minorities and Women – Selected Architect

| <u>Name</u> | <u>Ownership</u> | <u>Employees</u> |
|----------------------|------------------|--|
| Carde Ten Architects | Minority | Total: 19 12 minorities 7 women 63% minority 37% women |

G. Participation of Minorities and Women - Firms Not Selected

| | | |
|------------------------|--------------|---|
| Ah'be | Minority | Total: 21 13 minorities 13 women 62% minority 62% women |
| Briba Group Architects | Non-Minority | Total: 9 9 minorities 3 women 100% minority 33% women |
| FSY Architects | Minority | Total: 13 8 minorities 2 women 62% minority 15% women |

| | | |
|-----------------------------------|--------------|--|
| GMP Architects | Non-Minority | Total: 17 8 minorities 5 women 47% minority 29% women |
| Gonzalez/Goodale Architects | Non-Minority | Total: 50 39 minorities 11 women 78% minority 22% women |
| Harley Ellis Devereaux | Non-Minority | Total: 389 72 minorities 104 women 19% minority 27% women |
| Hill Partnership, Inc. | Non-Minority | Total: 40 15 minorities 13 women 38% minority 33% women |
| HMC Architects | Non-Minority | Total: 464 202 minorities 220 women 44% minority 47% women |
| Hodgetts-Fung Design/Architecture | Non-Minority | Total: 15 3 minorities 7 women 20% minority 47% women |
| IDS Group, Inc. | Non-Minority | Total: 50 26 minorities 11 women 52% minority 22% women |
| Katherine Spitz Associates, Inc. | Female | Total: 10 3 minorities 6 women 30% minority 60% women |

| | | |
|-------------------------------|-----------------|---|
| Kennard Design Group | Minority/Female | Total: 10 9 minorities 4 women 90% minority 40% women |
| Ken Kurose Architect | Minority | Total: 4 4 minorities 1 woman 100% minority 25% women |
| Lewis / Schoeplein Architects | Female | Total: 7 2 minorities 4 women 29% minority 57% women |
| Luckman Partnership, Inc. | Non-Minority | Total: 12 3 minorities 4 women 25% minority 33% women |
| Martinez Architects, Inc. | Non-Minority | Total: 41 37 minorities 14 women 90% minority 34% women |
| Onyx Architects | Non-Minority | Total: 21 7 minorities 10 women 33% minority 48% women |
| Osborn Architects | Non-Minority | Total: 51 22 minorities 23 women 43% minority 45% women |

| | | |
|-----------------------------|--------------|--|
| Quatro Design Group | Minority | Total: 24 20 minorities 8 women 83% minority 33% women |
| Rachlin Architects | Non-Minority | Total: 14 2 minorities 1 woman 14% minority 7% women |
| RNL Design | Non-Minority | Total: 171 29 minorities 91 women 17% minority 53% women |
| The Albert Group Architects | Non-Minority | Total: 10 4 minorities 5 women 40% minority 50% women |
| Tucker Sadler | Non-Minority | Total: 40 9 minorities 13 women 23% minority 33% women |
| WWCOT | Non-Minority | Total: 91 73 minorities 49 women 80% minority 42% women |

The Housing Authority conducts ongoing outreach to include minorities and women in the contract award process, including: providing information at local and national conferences; conducting seminars for minorities and women regarding programs and services; advertising in newspapers to invite placement on the vendor list; and mailing information to associations representing minorities and women. The above information has been voluntarily provided to the Housing Authority.

The recommended award of this Contract is being made in accordance with the Housing Authority's policies and federal regulations, and without regard to race, creed, color, or gender.

ATTACHMENT B

Contract Summary

Project Name: Nueva Maravilla Electrical Meter Conversion
Location: 4919 Cesar Chavez Avenue in Unincorporated East Los Angeles County
Consultant: Carde Ten Architects
Services: Architectural Consulting Services
Bid Number: CDC08-498
SOQ Deadline: June 6, 2008
Consultant: Carde Ten Architects
Services: Provide architectural consulting services, and prepare construction documents, and other related work for the installation of a new underground electrical main service and transformers with individual metering at each single family unit at the Nueva Maravilla housing development.

Contract Documents: Architectural Services Contract; Attachment A- Fee Schedule, Attachment B and B1-Scope of Services, Attachment C– Required Contract Forms, Attachment D– Required Contract Notices.

Time of Commencement and Completion: Services shall be performed upon receipt of a written Notice to Proceed from the Housing Authority. The Consultant will only perform the scope of work identified in the Notice to Proceed.

Contract Sum: The Housing Authority shall pay the Consultant for the performance of the Design Contract subject to additions and deductions by Change Order(s) as provided in the Contract Documents, in current funds, the sum of **Two Hundred Eighty-Seven Thousand Six Hundred Dollars and Zero Cents (\$287,600.00)**. The Contract Sum is not subject to escalation, includes all labor and material increases anticipated throughout the duration of this Contract.

Contract Contingency: \$28,760.00



**HOUSING AUTHORITY
of the County of Los Angeles**

Administrative Office

2 Coral Circle • Monterey Park, CA 91755

323.890.7001 • TTY: 323.838.7449 • www.lacdc.org



**Gloria Molina
Mark Ridley-Thomas
Zev Yaroslavsky
Don Knabe
Michael D. Antonovich**
Commissioners

Sean Rogan
Executive Director

November 18, 2009

Honorable Housing Commissioners
Housing Authority of the
County of Los Angeles
2 Coral Circle
Monterey Park, California 91755

Dear Commissioners:

**APPROVAL OF AUTHORITY TO INITIATE EVICTION PROCEEDINGS FOR UJIMA
VILLAGE HOUSING DEVELOPMENT IN UNINCORPORATED WILLOWBROOK
(DISTRICT 2)**

SUBJECT

This letter recommends that the Board of Commissioners (Board) authorize the Executive Director to serve 30-day eviction notices on Ujima Village tenants who do not vacate the premises after the 90-day notices to vacate expire.

IT IS RECOMMENDED THAT YOUR COMMISSION:

1. Recommend that the Board of Commissioners find that approval of authority to initiate eviction proceedings for the Ujima Village housing development is not subject to the provisions of the California Environmental Quality Act, because the actions will not have the potential for causing a significant effect on the environment.
2. Recommend that the Board of Commissioners authorize the Executive Director to serve 30-day eviction notices on the remaining Ujima Village residents, pursuant to the requirements of the Uniform Relocation Act.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to seek the Board's approval to serve 30-day eviction notices on Ujima Village tenants who do not vacate the premises after the 90-day notices to vacate expire.

FISCAL IMPACT/FINANCING

There is no impact on the County general fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Ujima Village is located at 941 E. 126th Street in unincorporated Willowbrook. In 2007, the Housing Authority submitted environmental documentation to the California Regional Water Quality Control Board (Water Board) related to the site's former use as the Athens Tank Farm where gasoline and crude oil had been stored. In November 2007, the Water Board issued an order to the Housing Authority and to ExxonMobil to complete environmental investigation, assessment, monitoring, and cleanup of the Ujima Village site. Preliminary findings indicate there is no immediate health risk to Ujima Village residents. As a direct result of the Water Board's order, the U.S. Department of Housing and Urban Development (HUD) notified the Housing Authority of its intent to offer relocation assistance to Ujima Village residents wishing to relocate voluntarily. On June 13, 2008, HUD began offering relocation assistance to the 159 households then residing at the site.

On April 14, 2009, the Board approved the Ujima Village Relocation Plan to assist tenants ineligible for HUD assistance and tenants who did not move using HUD's assistance. At that time, the Board also directed the Housing Authority to initiate the environmental review process for the disposition of Ujima Village, and authorized the Executive Director to serve the remaining Ujima Village residents with 90-day notices to vacate the property. Currently, only six households still occupy the 300-unit apartment complex.

On October 2, 2009, the Housing Authority's relocation consultant, Overland, Pacific & Cutler, served 90-day notices on the remaining six Ujima Village households. The 90-day notices are due to expire on December 31, 2009. The remaining residents were notified that any household refusing to vacate the property following expiration of the 90-day notices would be issued a 30-day eviction notice. In this regard, the 90-day notices state that pursuant to Section 24.203(c) of Part 24 of Title 49 of the Code of Federal Regulations, the Housing Authority will issue a second and final notice, at least 30 days in advance, setting forth the date by which each resident shall be required to vacate. If the remaining residents do not vacate Ujima Village by the date specified in the 30-day notices, the Housing Authority will initiate legal proceedings to evict the residents and all other occupants in the unit.

Environmental Review Process

On October 19, 2009, ExxonMobil began drilling for groundwater testing on the adjacent Earvin "Magic" Johnson Recreation Area, which was also part of the original Athens Tank Farm. The full extent of contamination and appropriate method of remediation

cannot be determined until the drilling, analysis and monitoring are completed. Currently, drilling has not begun on the Ujima Village premises.

Demolition

HUD has tentatively approved the demolition of Ujima Village. Currently, the Housing Authority is awaiting specific terms and conditions from HUD concerning the demolition and reuse of the site, after which the Housing Authority will seek the Board's approval.

ENVIRONMENTAL DOCUMENTATION

This activity is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34 (a)(3), because it involves an administrative activity that will not have a physical impact on or result in any physical changes to the environment. The activity is also not subject to the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because it is not defined as a project under CEQA and does not have the potential for causing a significant effect on the environment.

IMPACT ON CURRENT PROGRAM

The Executive Director's authorization to serve 30-day eviction notices on the remaining six Ujima Village households will allow the site to be completely vacated and closed, as instructed by the Board last year.

Respectfully submitted,


for SEAN ROGAN
Executive Director